

2023 SUSTAINABILITY REPORT



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Chairman's Message

Be Positive All Possible

Accelerating Taiwan's Sustainable Transformation with Green Finance

2023 was seen as a critical year for assessing sustainability initiatives. At the 28th session of the Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change at the end of November, the world reviewed for the first time the results of climate initiatives taken since the 2015 Paris Agreement. Also, the UNEP FI (United Nations Environment Programme Finance Initiative) and ILO (International Labor Organization) issued the report "Just Transition Finance: Pathways for Banking and Insurance," the first guide on how the financial sector can spur businesses to engage in a just transition. The report clearly highlighted the important role played by financial institutions in the global low-carbon transition, implying an even greater responsibility ahead for Fubon Financial Holdings as a leader in Taiwan's financial sector.

To achieve the Paris Agreement goal of keeping temperatures from rising more than 1.5°C above pre-industrial levels, exerting economic influence to promote low-carbon, sustainable practices is critical. Yet during this process of economic upheaval, climate action must also take into account social justice and economic opportunity for the transition to sustainability to succeed. Financial institutions have a pivotal role to play because they determine the direction of economic development by guiding flows of capital. They can use their influence to promote sustainable economic activity and facilitate the transitions of high-carbon industries, thereby reducing the social and economic risks of climate action and steering the global economy toward sustainable development goals.

Meanwhile, in the "Global Risks Report" released by the World Economic Forum in January 2024, four of the five most severe global risks identified over the long term (10 years) were closely related to environmental risks, while the other was a technological risk – AI-generated misinformation and disinformation. The findings were a warning to companies that their sustainability strategies needed to focus more on low-carbon, net-zero practices, and information monitoring to mitigate the impact of environmental and social risks on their operations.

Fubon Financial Holdings has led Taiwan's financial institutions in earnings per share for 15 consecutive years. As an industry leader and the member of the World Economic Forum from Taiwan's financial sector, we are committed to not only being responsible to our shareholders and customers but also to valuing the well-being of our stakeholders and searching for solutions to the current wave of global change. Our mission is to encourage sustainable transformation in the private sector amid the climate crisis through sustainable finance and investment, sustainable insurance, risk management, inclusive finance services and products, and financial education.

In 2021, we set four new major strategies under our ESG Visioning Project: decarbonization, digitalization, empowerment, and connection. Fubon Financial Holdings and its subsidiaries vigorously pursued those strategies, producing tangible results by the end of 2023.



Decarbonization: Serving as a Green Finance Accelerator to Help the Value Chain Go Sustainable

Fubon Financial Holdings has manifested its commitment to sustainable transformations by prioritizing green finance and climate-related products and services and working hard to cut carbon throughout the organization. In 2023, we achieved several industry firsts. Taipei Fubon Bank arranged a NT\$40 billion sustainability-linked syndicated loan to flat panel maker Innolux Corporation, the largest sustainability-linked syndicated loan ever made in Taiwan to that point. Within the loan syndicate, Taipei Fubon Bank made the biggest commitment of any single bank. Also in 2023, Fubon Insurance became Taiwan's first non-life insurer to commit to "2050 net-zero" underwriting practices. To operate more sustainably, Fubon Financial Holdings purchased an additional 4.39 million kWh of green electricity in 2023, which brought the percentage of domestic locations that have adopted green power to 17% and set a record for Taiwanese financial institutions for most locations and power meters covered by a single green electricity purchase. It also represented a milestone in our transition from individual green power purchases to a more comprehensive phased-in renewable power strategy.

Digitalization: Using Technology to Optimize Customer Service, Promote Financial Inclusion

Always customer-oriented, Fubon Financial Holdings uses emerging technologies to develop digital services aimed at ensuring that each customer has secure and convenient access to financial resources. That is particularly true in preventing financial scams capable of seriously disrupting the financial system. In 2022, Taipei Fubon Bank teamed up with the Ministry of the Interior's Criminal Investigation Bureau to create an "Eagle Eye" anti-fraud model powered by patented artificial intelligence. In 2023, we launched a new platform, an "Eagle Eye Anti-fraud Alliance," that brought together more than 30 banks. One of our major achievements of the year, the alliance has not only made the financial environment more secure but also shaped new partnerships for the good of the financial sector.

”

Fubon is Taking on the Climate Crisis
by Using its Financial Capabilities to
Drive Sustainable Transformation.

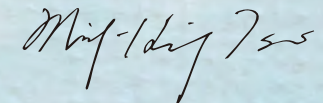
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Empowerment and Connection: Galvanizing Society's Positive Energy, Starting from Within

Fubon Financial Holdings firmly believes that sustainable development is everybody's responsibility, and we have created a wide range of educational and brand activities designed to raise sustainability awareness. In 2023, we teamed up with National Taiwan University's Risk Society and Policy Research Center to hold the "Fubon Sustainability Forum," at which representatives of the public and private sectors and academia discussed new and forward-looking topics related to sustainability. In 2021, we initiated a "Run For Green™" advocacy campaign aimed at planting 100,000 trees within a five-year period and cutting carbon emissions by an estimated 4,000 metric tons. We have also enlisted well-known athletes to speak out and focus public attention on sustainability issues.

Last year was the midway point of the United Nations' 2030 Sustainable Development Goals campaign, and indications are that progress in achieving the goals has fallen short of expectations. The private sector, which benefits the most from public policy and social resources and has the biggest impact on employee families, must fulfill its responsibility to turn the situation around. In the future, Fubon will continue to pursue sustainable financial innovation and cross-sector cooperation, galvanize positive energy, take the lead on green finance, and drive industrial transformation to achieve a common good and sustainable future.

Chairman



Sustainability Performance and Recognition

2023 Results of Sustainability Initiatives

Environmental



- Was one of the first group of buyers of **carbon credits on the Taiwan Carbon Solution Exchange** in response to the government's net-zero policy.
- Teamed up with Taiwan Mobile to support Academia Sinica's **carbon-free hydrogen combustion technology**, responding to COP28's net-zero advocacy with action.
- Joined with several subsidiaries to purchase **4.39 million kWh/year** of green electricity; this electricity was made available to **91 business locations** starting in July 2023.
- Fubon Insurance became Taiwan's first non-life insurer to commit to **"2050 net-zero"** underwriting practices and joined with customers to promote carbon management services.
- On Fubon Volunteer Day, volunteers went to the Jimuling area in New Taipei and mobilized Fubon employees to help protect Taiwan's biodiversity.

Social



- Was selected to the **Taiwan High Compensation 100 Index** and continued to participate in **Bloomberg's Gender Equality Index**; was again recognized for gender equality in the workplace by Taipei City.
- Total of **716** "Fubon babies" born, equal to a crude birth rate **3.3 times** (230%) higher than Taiwan's; spent **NT\$132 million** on child-birth and child care subsidies, **up 76%** from 2022.
- Taipei Fubon Bank collaborated with the Criminal Investigation Bureau to develop an "Eagle Eye" anti-fraud model and brought together **33 banks** in an "Eagle Eye Anti-fraud Alliance" to forge an anti-fraud ecosystem.
- Taipei Fubon Bank was **the first financial institution** in the financial services sector to introduce sign language interpretation services; Fubon Insurance, Fubon Securities and Fubon Life all followed suit, creating a more consumer-friendly financial environment.

Governance



- Was a constituent of the Taiwan Stock Exchange's **"Taiwan Corporate Governance 100 Index"** in 2023 for the ninth consecutive year.
- **Had the most independent directors** on its board of any domestic financial holding company, and had one female director.
- **Led all financial holding companies in earnings per share** for the 15th straight year in 2023 with EPS of NT\$4.8.
- Fubon Financial Holdings had total assets exceeding **NT\$11 trillion** as of the end of 2023 after asset **growth of 5%** for the year; 2023 after-tax net profit was **NT\$66.02 billion**.

2023 Honors and Recognition



International Initiatives, Evaluations, Awards

- Joined the **Taskforce on Nature-related Financial Disclosures (TNFD) Forum** and adopted its framework, extending efforts on sustainability to natural capital and biodiversity issues.
- Was a **World Economic Forum (WEF) member** for a 4th straight year since becoming the first WEF member from Taiwan's financial sector in 2020.
- Named as a constituent of the **Dow Jones Sustainability Indices (DJSI) Emerging Markets Index** for an 8th consecutive year (2016-2023) and a constituent of the **DJSI World Index** for a 7th consecutive year (2017-2023).
- Chosen as a constituent of the **MSCI ESG Leaders Indexes** for a 7th consecutive year (2017-2023) and received an **"AA"** MSCI ESG rating in the Life & Health Insurance category for a 3rd straight year (2021-2023).
- Ranked 3rd among global insurers and 1st among insurers in Asia in **Sustainalytics' ESG Risk Ratings**.
- Received an **"ESG Corporate Rating Prime Badge"** from ISS (Institutional Shareholder Services).
- Received **Carbon Disclosure Project "Leadership"** level Climate Change and Supplier Engagement Ratings in 2023 for a 4th straight year (scores of A- in both categories in 2022 and 2023).
- Received six awards from **Institutional Investor in its Asia (ex-Japan) Executive Team survey**, and was the only Taiwanese company in the financial services sector to be ranked as a Most Honored Company for a 2nd straight year.
- Earned another **ESG Corporate Award** from The Asset, once again receiving a **"Platinum Award"** in 2023.
- Fubon Life received a four-star rating in the **GRESB (Global Real Estate Sustainability Benchmark) Real Estate Assessment** in the "Development (New Construction)" category.
- Demolition work in the Fubon Insurance Building renovation project received **UL 2799 Zero Waste to Landfill Gold-level validation, the 1st demolition project in the world** to achieve UL2799 Gold certification.



Domestic ESG Awards and Recognition

- Won a **Global Views Monthly ESG Corporate Sustainability Award** for the fourth time, receiving an **"Excellence Award"** for Overall Performance in the Financial and Insurance Sector.
- Placed eighth in the **CommonWealth Magazine Sustainable Citizen rankings**; also received a **"CommonWealth Talent Sustainability Award"** and a **"Parenting-friendly Workplace Award"** from CW Parenting, both of which were awarded for the first time in 2023.
- Honored as one of the **"Top 10 Benchmark Companies for Sustainability,"** the highest honor in the Taiwan Corporate Sustainability Awards, for a fourth consecutive year; once again received a Platinum Corporate Sustainability Report award, as well as "Creativity in Communication" and "Information Security Leadership" awards. In all, Fubon Financial Holdings and its subsidiaries won **13 TCSA honors**.
- Subsidiary Fubon Life again received a Ministry of Economic Affairs **"Buying Power" award for "Incentive Mechanisms for Buying Socially Innovative Products and Services"** and was **honored as an "Outstanding Green Purchasing Civil Enterprise and Group"** by Taipei's Department of Environmental Protection. It also received a 2023 Taipei Net-zero Leadership **"Model Award."**
- Subsidiaries Taipei Fubon Bank and Fubon Life were both **ranked in the top 20% of financial institutions in 1st "Sustainable Finance Evaluation,"** earning the recognition of the Financial Supervisory Commission for their sustainable finance performance.

About This Report

Scope of the Report

The financial data covered in this report are consistent with those found in Fubon Financial Holdings' consolidated financial statements. Information related to environmental and social aspects covers Fubon Financial Holdings and its five major subsidiaries (including overseas) – Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities and Fubon Asset Management – which are referred to below collectively as “Fubon Financial Holdings,” “the Company,” or “Fubon.” The report's scope encompasses business activity in Taiwan and abroad, and covers 96.8% of business operations in terms of operating revenue. Should discrepancies arise, they will be explained in the report. Information on social welfare activities incorporates the work of five foundations (the Fubon Charity Foundation, the Fubon Cultural & Educational Foundation, the Fubon Art Foundation, the Taipei Fubon Bank Charity Foundation, and the Fubon Life Art Museum Foundation).

Period Covered

Fubon Financial Holding Company Ltd. (Fubon Financial Holdings) publishes a Sustainability Report annually to disclose information on its corporate governance, environmental sustainability practices, and social commitment. This report covers the same period as Fubon's financial statements, focusing primarily on the company's actions and results in 2023 (Jan. 1, 2023 to Dec. 31, 2023) related to its four sustainability strategies. To present more complete information on the impact of various projects and initiatives, the information disclosed has been drawn from 2023 or from the period in 2024 before the report was issued. The report was reviewed and approved by the Company's Corporate Governance and Sustainability Committee and board of directors before being issued in July 2024. The previous report was issued in July 2023 and the next report is expected to come out in July 2025.

Reporting Guidelines

This report's disclosures are based on the newest version of the Global Reporting Initiatives (GRI) Standards, standards published by the Sustainability Accounting Standards Board (SASB) for the insurance and commercial banking sectors, and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. The report's content focuses primarily on disclosures of actions taken and results achieved related to corporate governance, environmental sustainability, and social engagement. It also shows the extent of reporting under the GRI content index, the GRI G4 supplemental guidelines for the financial services sector, the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the United Nations Global Compact, the ISO 26000 Social Responsibility standard, the WEF Stakeholder Capitalism Metrics framework, and SASB standards for the insurance and commercial banking sectors.

Report Verification

The information and data disclosed in this report are based on statistics from Fubon Financial Holdings and the five foundations. Financial figures come from Fubon Financial Holdings' audited financial statements. All uses of statistics follow standard practices or rely on publicly available government information and data. There have not been significant changes in the methods used from the previous reporting period, but if there are differences, they are explained in the section in which they appear. To ensure the reliability of the information included in this report, Fubon Financial Holdings had all data verified according to the following standards by the following organizations. Based on the assurance process, the Fubon Financial Holdings Sustainability Report was found to comply with the GRI Standards and the SASB standards for the insurance and commercial banking sectors. An Independent Limited Assurance Report issued by KPMG Taiwan is included in this report. (Please see [Appendix 7.6 CPA Independent Assurance Report](#))

Data	Compliance Standard	Verification Organization
Sustainability	TWSAE issued by the Accounting Research and Development Foundation, ROC (based on the International Standard on Assurance Engagements ISAE 3000)	KPMG
Financial	Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and publicly recognized accounting guidelines	KPMG
Environmental	ISO 14001 Environmental Management Systems ISO 14064-1 Greenhouse Gas Accounting and Verification ISO 45001 Occupational Health and Safety Management Systems ISO 50001 Energy Management Systems	BSI

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https://www.fubon.com/financialholdings/citizenship/esg_visioning/esg_visioning.html

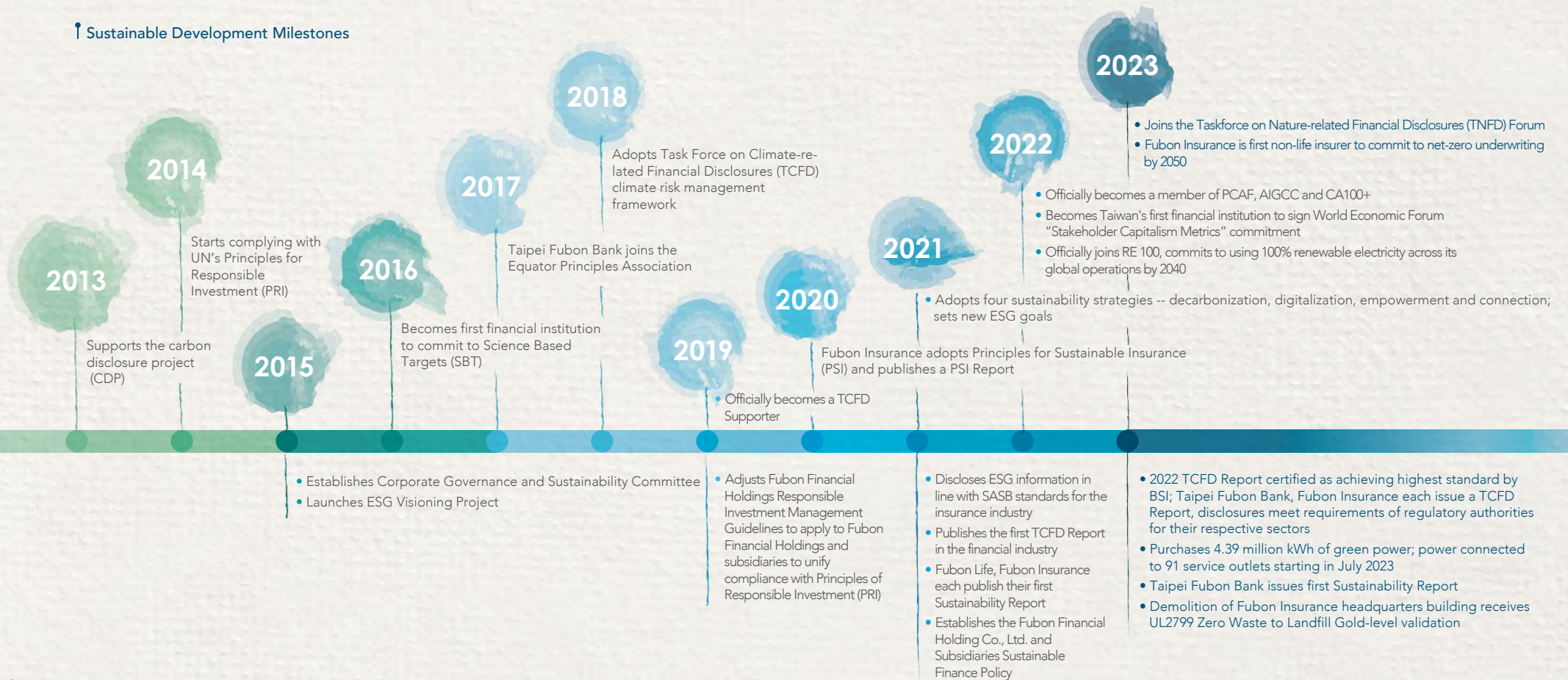
The Sustainability Report and TCFD Report issued by Fubon Financial Holdings and its related subsidiaries can be downloaded from the Sustainability

[Reports/Documents section of the Fubon Financial Holdings website.](#)



Fubon's Sustainability Commitment

Sustainable Development Milestones



1.1 ESG Visioning Blueprint

1.1.1 Visioning Blueprint

Fubon Financial Holdings pursues its vision of becoming one of Asia's first-class financial institutions through its mission and brand concept of "Be positive, All possible" and four core values of integrity, sincerity, professionalism and innovation. In 2021, the Company revamped its ESG Visioning Blueprint by adopting four new strategies – decarbonization, digitalization, empowerment and connection – to create sustainable value for its stakeholders. As part of the initiative, sustainability goals were set for 2025. Progress on achieving the goals is reviewed annually, and goals are adjusted and optimized as necessary, including at the end of 2023, when the targets for several indicators were extended to 2030. These ongoing efforts to set quantitative indicators and track progress in meeting them reflect our resolve to fulfill our sustainability commitments.

The Company leverages its financial services and brand influence and uses both financial and non-financial activities to raise sustainability awareness and encourage society and industry to pursue low-carbon transitions. One non-financial initiative, for example, that embraces our decarbonization strategy is a Run for Green campaign that links green competitions and planting trees. Fubon also continues to use its core financial competencies to promote green operations, support the green transformations of businesses, and maintain a constant focus on the importance of sustainability.



1.1.2 Sustainability Goals

2023 Results

Strategies	Indicators		2023 Goal	Actual Result	Progress Made
 Decarbonization Use sustainable finance-related products and services to help customers pursue low-carbon transitions	Green Finance (incl. low-carbon investment, green bond investment, green energy technology investment, green finance loans) (NT\$100 million)		24,376	25,721	✓ Goal achieved
	Participation in Green Bond Underwriting Cases (No. of cases Fubon participated in/total no. of green bond cases on the market) (%)		31	73	✓ Goal achieved
	Climate-Related Products and Services (Fubon Insurance: green energy, natural disaster, sustainable insurance products) (NT\$100 million)		58.95	70.29	✓ Goal achieved
	Carbon Reduction (compared to 2020 baseline) (%)		-13	-9.5	In progress
 Digitalization Provide innovative services and experiences to satisfy customers' diverse financial needs	Customer Satisfaction (%)		88	83	In progress
	Life	Growth in Applications for E-notifications (%)	37	39.3	✓ Goal achieved
		E-policies and "E-terms and Conditions Policies" Issued (as % of total issued)	21	23.9	✓ Goal achieved
	Bank	Growth in E-policies and "E-terms and Conditions Policies" Issued (%)	70	100.1	✓ Goal achieved
		Share of Credit Cards/personal Loans/account Openings Processed Online (%)	80	73	In progress
		Taiwan's First Digital Platform	Win at least 1 major domestic or foreign fintech award	Won 21 major digital awards	✓ Goal achieved
	Insurance	E-policies and Electronic Compulsory Auto Liability Insurance Certificates Issued	8,570,825	9,365,411	✓ Goal achieved
	Securities	E-trading Account Share of Natural Persons' Domestic Securities Trading Accounts ^{Note 1} (%)	83	83	✓ Goal achieved
 Empowerment Support diversity, equity and inclusion to foster a friendly, healthy, and happy workplace	Continue to be Selected as a Constituent of the Taiwan High Compensation 100 Index		Selected	Selected	✓ Goal achieved
	Employee Engagement Survey ^{Note 2}	Score (Score)	76	70 ^{Note 2}	In progress ^{Note 2}
		Participation Rate (%)	80	88 ^{Note 2}	✓ Goal achieved ^{Note 2}
	Employees Participated in Wellness and Health-related Activities	Total No. Times Employees Participated in Wellness and Health-related Activities (10,000 times)	11	16	✓ Goal achieved
		Average No. of Times Each Employee Participated (times)	7	8.6	✓ Goal achieved
 Connection Connect Fubon's five foundations with positive energy and expand their impact on society	Education Promotion (No. of times people participated)		850,770	2,177,348	✓ Goal achieved
	Health Promotion (No. of times people participated)		361,112	480,448	✓ Goal achieved
	Care for the Disadvantaged (No. of times people participated)		207,730	382,018	✓ Goal achieved
	Employee Volunteerism (No. of times people participated)		34,800	29,837	In progress

Note 1: E-trading account share of natural persons' domestic securities trading accounts: Was originally e-trading accounts share of all active accounts, but because of the merger of Fubon Securities and Jih Sun Securities, goal was adjusted and renamed "E-trading account share of natural persons' domestic trading accounts."

Note 2: Employee engagement survey engagement and participation rate: Survey conducted once every two years; figures for 2022 survey, next survey to be conducted in 2024.

2024-2030 Medium-, Long-term Goals

Strategies	Indicators		Adjusted in 2024	Short Goals	Medium Goals	Long-term Goals	
 Decarbonization	Green Finance (incl. low-carbon investment, green bond investment, green energy technology investment, green finance loans)		(NT\$100 million)	25,613	25,966	29,108	
	Participation in Green Bond Underwriting Cases (No. of cases Fubon participated in/Total no. of green bond cases on the market)		(%)	33	34	45	
	Climate-Related Products and Services (Fubon Insurance: green energy, natural disaster, sustainable insurance products)		(NT\$100 million)	62	70	74	
	New in 2024 No. of Sustainability Loss Prevention Service Cases ^{Note 1}		(Case)	660	680	750	
	Carbon Reduction (compared to 2020 baseline)		(%)	-17	-21	-42	
 Digitalization	Customer Satisfaction		(%)	90 or above every year			
	Life	Growth in Applications for E-notifications	(%)	YoY growth	9	8	4
		E-policies and “E-terms and Conditions Policies” Issued	(as % of total issued)		23	25	30
	Bank	Growth in E-policies and “E-terms and Conditions Policies” Issued	(%)	YoY growth	10	5	5
		Share of Credit Cards/personal Loans/account Openings Processed Online	(%)		85	90	90
		Growth in Mobile Banking Active Accounts	(%)	Qualitative indicators change to quantitative indicators.	20	10	10
	Insurance	E-policies and Electronic Compulsory Auto Liability Insurance Certificates Issued	(%)	Share of total	71	73	77
	Securities	E-trading Account Share of Natural Persons’ Domestic Securities Trading Accounts ^{Note 1}	(%)		84	86	90
 Empowerment	Continue to be Selected as a Constituent of the Taiwan High Compensation 100 Index		Selected	Selected			
	Employee Engagement Survey	Score	(Score)	77 or above every year			
		Participation Rate	(%)	80% or above every year			
	Employees Participated in Wellness and Health-related Activities	Total No. Times Employees Participated in Wellness and Health-related Activities	(10,000 times)	11	11	12	
		Average No. of Times Each Employee Participated	(times)	7.2 or above every year			
	New in 2024 DEI	Share of Employees that are Women	(%)	50% or above every year			
Share of Managers that are Women		(%)	45% or above every year				
 Connection	Education promotion		(No. of times people participated)	904,015	947,633	3,084,100	
	Health promotion		(No. of times people participated)	389,448	417,785	898,384	
	Care for the disadvantaged		(No. of times people participated)	178,672	182,614	198,579	
	Employee volunteerism		(No. of times people participated)	Hours participated	24,500	25,000	27,500
	Bank	Anti-Money Laundering Promotion ^{Note 3}	(No. of participants)	501,100	501,550	503,800	
	New in 2024 Insurance	No. of innovative financial inclusion-related products or services ^{Note 4}	(Case)	At least 1 new item every year, at least 7 new items			
	Financial Inclusion	Securities	Cumulative no. of people on regular savings investment plans	(No.of people)	126,000	136,000	181,000
			Financial education promotion – Money management event	(No. of participants)	600	600	1,000
		Microinsurance cooperation programs ^{Note 5}		(No. of participants)	33,000	33,000	85,000

Note 1: Service helps clients mitigate sustainability risk through loss prevent recommendations, such as information security testing or green energy services.

Note 2: E-trading account share of natural persons' domestic securities trading accounts: Was originally e-trading accounts share of all active accounts, but because of the merger of Fubon Securities and Jih Sun Securities, goal was adjusted and renamed "E-trading account share of natural persons' domestic trading accounts."

Note 3: Anti-money laundering promotion: Includes the Anti-Money Laundering Trends Forum (online and offline), Fubon AML Lectures (online), DMs on blocking/preventing fraud, and publicity videos.

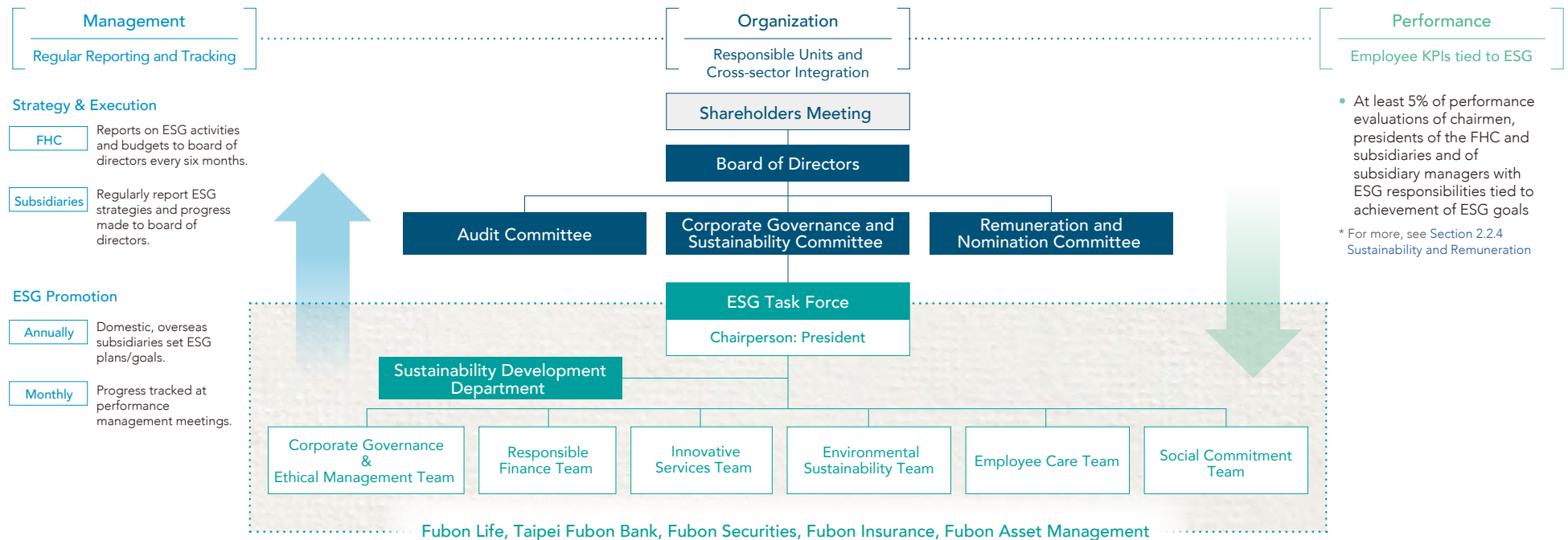
Note 4: Fubon Insurance no. of innovative financial inclusion-related products or services: Goal is to increase the number by at least one every year starting in 2024.

Note 5: Microinsurance cooperation programs: These initiatives are sponsorships of city and county governments and private social welfare groups.

1.2 Operating Sustainably

Operations Mechanisms

In 2015, Fubon Financial Holdings launched an ESG Visioning Project to help Fubon units manage the opportunities and challenges brought by the many risks they face and address issues of concern to stakeholders. The board of directors was made the top oversight unit responsible for promoting sustainability, and an ESG Task Force was set up under the board's Corporate Governance and Sustainability Committee, with the Corporate Sustainability Department as its secretarial unit. Headed by Fubon Financial Holdings' president, the ESG Task Force has six specialized teams headed by senior managers of related units to promote sustainability strategies and monitor the organization's ESG activities. They present their annual ESG plans at the beginning of each year and progress reports every six months to the Company's Corporate Governance and Sustainability Committee for review and then to the board of directors. Meanwhile, Fubon's five main subsidiaries – Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities and Fubon Asset Management – have also established their own ESG Task Forces to echo the financial holding company's sustainability blueprint and strategies through their own financial competencies and put them into practice in their businesses.



- At least 5% of performance evaluations of chairmen, presidents of the FHC and subsidiaries and of subsidiary managers with ESG responsibilities tied to achievement of ESG goals

* For more, see Section 2.2.4 Sustainability and Remuneration

Subsidiaries have established their own ESG Task Forces based on this framework.

1.3 Material Topics and Stakeholders

1.3.1 Materiality Analysis

Fubon Financial Holdings conducts an annual materiality analysis of sustainability topics based on the GRI Standards and the AA 1000 Stakeholder Engagement Standard (AA 1000 SES). A three-phase "identify, analyze, confirm" process is used to identify material topics related to sustainability. The GRI Universal Standards 2021 and GRI Material Topics 2021 then help assess the impacts of the sustainability topics from economic, environmental and social perspectives, which serves as a reference for Fubon Financial Holdings in planning its sustainability strategy and compiling its Sustainability Report.

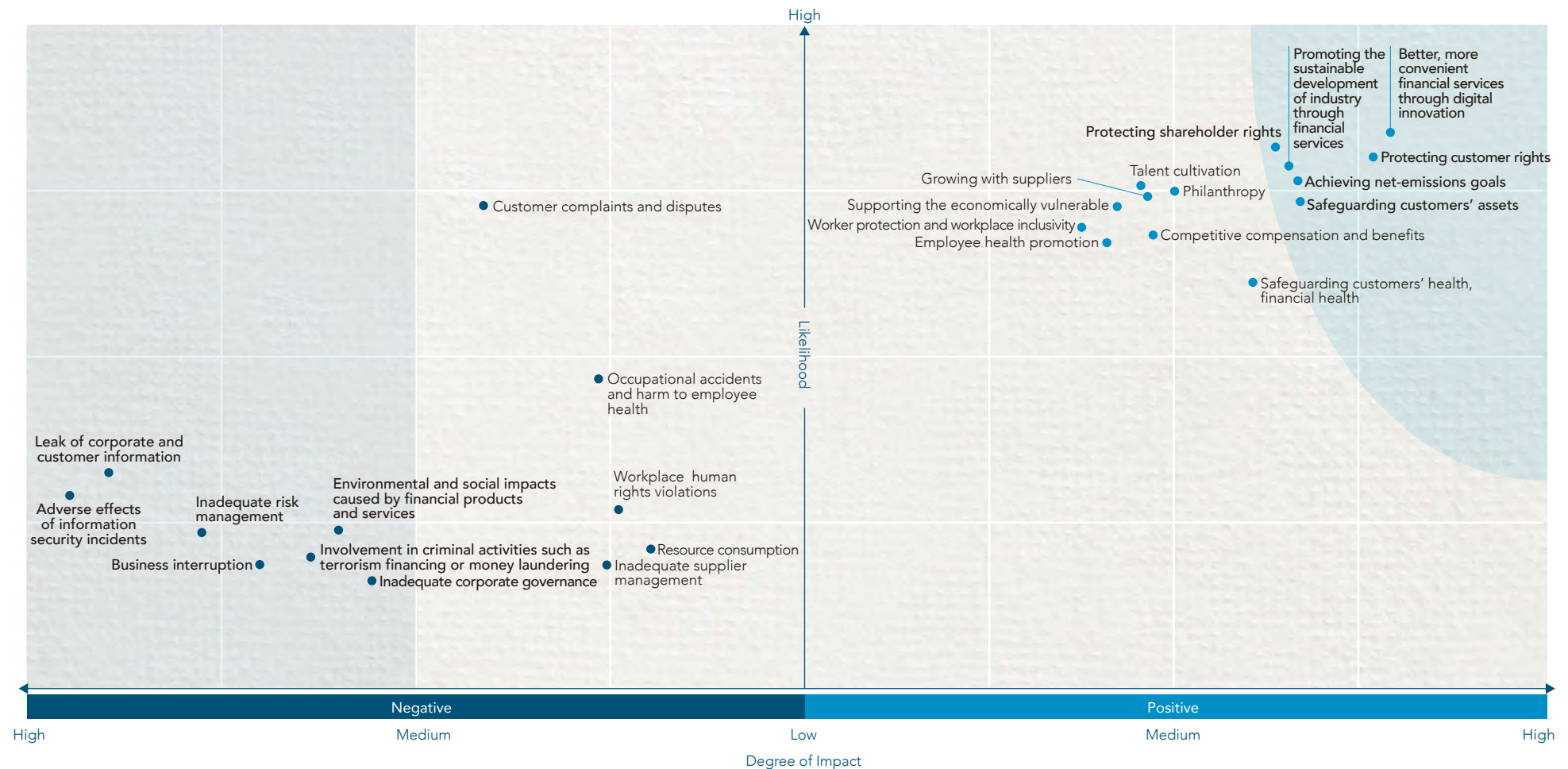
During the materiality analysis, Fubon not only observes the level of concern of stakeholders over each issue, but also employs a double materiality approach to assess how topics' "impact on operations" affect enterprise value and the extent of those issues' "sustainability impact" on the economy, environment or society to determine which topics are truly material.

Phase	Steps	Results	Description
Phase 1 Identify 	Identify Communication Targets	8 stakeholders	Every year, the ESG Task Force's secretarial unit (the Corporate Sustainability Department), the Task Force's teams, and consultants review the Company's main stakeholders based on the AA 1000 Stakeholder Engagement Standard to determine if they are still relevant. The Company's main stakeholders in 2023 were generally similar to those in 2022, except that "communities" were added to the NGO/NPO stakeholder category because Fubon subsidiaries and foundations continue to interact and engage with local communities. In 2023, the main stakeholders were identified as competent authorities, customers/potential customers, employees/potential employees, the media, shareholders/investors, communities/NPOs/NGOs, domestic and foreign sustainability groups and ratings institutions (including associations and academic groups), and suppliers.
	Compile ESG topics of Concern/Sustainability Topics	26 impact topic/16 sustainability topics	The Company commissioned a consulting firm to gather the opinions of the eight major stakeholders on the existing due diligence and stakeholder management mechanisms of the financial holding company and its subsidiaries. The feedback was used to establish a list of impacts and corresponding sustainability topics. There was a total of 26 impacts, 14 of which were positive impacts and 12 of which were negative impacts. These were consolidated into 16 sustainability topics.
Phase 2 Analyze 	Impact Survey and Assessment	Collected 57 questionnaires	A questionnaire was designed that covered the likelihood of the 26 positive and negative impacts and the significance of those impacts, and it was filled out by members of Fubon Financial Holdings and subsidiary ESG task forces. A total of 57 questionnaires were completed.
	WEF Global Risk Assessment	Found 12 impact issues	Matched the top 10 short-term (two years) risks identified in the World Economic Forum's 2024 Global Risks Report against the Company's main impacts and used them to adjust the likelihood of the Company's impacts; the likelihood of 12 impacts were adjusted based on this assessment.
	Impact	Matrix of positive and negative impacts	A matrix of the positive and negative material topics identified was drawn based on each topic's likelihood and significance of impact, and then consolidated those topics into sustainability topics; based on the GRI 3 standards, human rights-related topics were given priority to be elevated to material topics.
	Significance	Collected 11 questionnaires	Linking ESG promotion to core business development represents a key principle in Fubon Financial Holdings' efforts to drive sustainability. Focused on the head of Fubon Financial Holdings' ESG Task Force and other top managers with ESG responsibilities, the assessment was based on a financial materiality questionnaire covering four commercial areas – revenue, costs, risks, and commercial reputation – to determine the financial materiality score of each impact. A total of 11 questionnaires were completed.
	Operational (Financial) Materiality Assessment	Double materiality matrix	A double materiality matrix was developed based on each issue's "Operational (Financial) Materiality Assessment" and "Significance of Impact."
Phase 3 Confirm 	Confirm Material Topics	11 material topics	After the assessment, there were 11 material sustainability topics identified as: Information security/risk management/corporate governance and ethical management/safeguarding shareholder rights in the governance category; sustainable finance/achieving net-zero emissions goals in the decarbonization category; fintech and innovation/customer relationship management in the digitalization category; health and life protection in the connection category; and healthy workplace/protection of workers' human rights in the empowerment category. The double materiality matrix generated by the double materiality assessment also identified double materiality topics with significant impacts both internally and externally (for more, see the section below on Double Materiality Assessment Results).
	Reporting	Approved	The results of the sustainability topic impact and double materiality assessments were reported to the Company's Corporate Governance and Sustainability Committee and the board of directors, and were approved.
	GRI	14 topics	After the material issues were identified, they were linked to 14 GRI topics, as disclosed in the table of material topics below.

Sustainability Material Topic Impact Assessment Results

Fubon Financial Holdings assesses impact materiality based on the likelihood of each topic's impact and the significance of those impacts, in compliance with "GRI 3: Material Topics" principles. The assessment offers insight into the scale and scope of each impact and irremediable character of an impact and its frequency and likelihood. The results of the completed questionnaires and the overall scores for the likelihood and significance of the impact are used to assess the materiality of the positive and negative impact of each issue. For negative impacts, Fubon Financial Holdings prioritizes impacts that are difficult to remedy (including the severity and scope of the impact) in ranking negative impacts, and considers any impact for which the significance of the impact exceeds a "medium" level as a negative material impact. For positive impacts, Fubon considers its overall significance of impact (including the scale and scope of the impact) and its likelihood. They are ranked based on the materiality score obtained by multiplying the scores of the two axes. Any impact with a medium or high materiality score is defined as a positive material impact.

2023 Fubon Financial Holdings Positive and Negative Impact Matrix



Once the impacts were ranked as described in the previous paragraph, Fubon Financial Holdings consolidated those positive and negative impacts into 16 topics based on their external environmental, economic and social impact and then prioritized the selection of topics related to the human rights of stakeholders to come up with 11 material topics and five topics of concern, as displayed in the chart below.

Positive and Negative Impacts and Sustainability Topics

● Key Impact ○ Impact of Concern ▲ Human Rights Issue

Negative Impact	Positive Impact	Sustainability Topic	
● Adverse effects of information security incidents		▲ Information security	Material Topic
● Leak of corporate and customer information			
● Inadequate risk management		Risk management	
● Business interruption			
● Involvement in criminal activities such as terrorism financing or money laundering		Corporate governance and ethical management	
● Inadequate corporate governance			
● Environmental and social impacts caused by financial products and services	● Promoting the sustainable development of industry through financial services	Sustainable finance	
	● Better, more convenient financial services through digital innovation	Fintech and innovation	
○ Customer complaints and disputes	● Protecting customer rights	Customer relationship management	
	● Protecting shareholder rights	Safeguarding shareholder rights	
	● Achieving net-zero emissions goals	Achieving net-zero emissions goals	Topic of Concern
	● Safeguarding customer assets	Health and life protection	
	○ Safeguarding customer health, financial health		
○ Occupational accidents and harm to employee health	○ Employee health promotion	▲ Healthy workplace	
○ Workplace human rights violations	○ Worker protection and workplace inclusivity	▲ Protection of workers' human rights	
	○ Philanthropy	Multifaceted Philanthropic Platform	
	○ Talent cultivation	Talent development and retention	
	○ Competitive compensation and benefits		
○ Inadequate supplier management	○ Growing with suppliers	Supplier management	
	○ Supporting the economically vulnerable	Financial inclusion	
○ Resource consumption		Low-carbon operations	

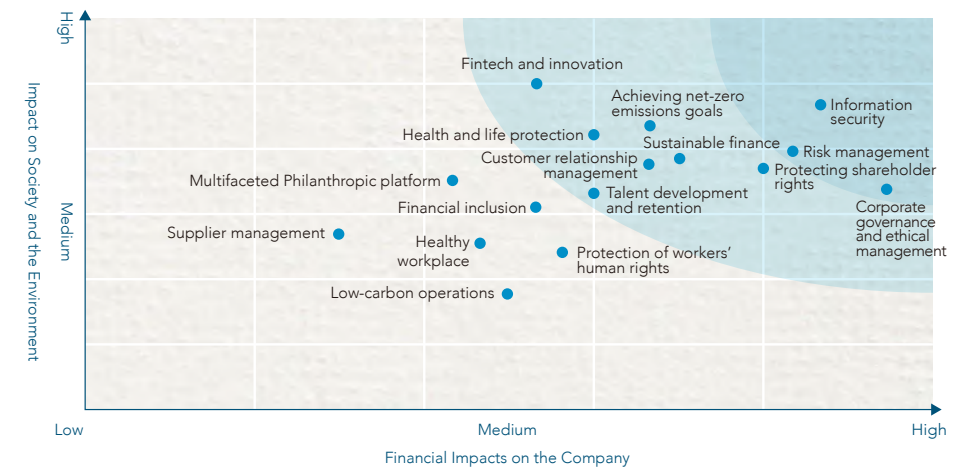
Explanation of Changes to Sustainability Material Topics in 2023

Reason for the Change	Adjusted Topic
Added Followed the results of due diligence and stakeholder opinions and referred to topics highlighted by Fubon Financial Holdings and subsidiaries and financial sector peers	• "Safeguarding shareholder Rights" • "Supplier management"
Name Changed Adjusted names to more closely match the nature of the impact and to echo international sustainability trends and terms used by financial sector peers	• "ESG risk management" changed to "Risk management" • "Human Rights" changed to "Protection of Workers' Human Rights"
Reorganized Similar topics were reorganized based on international sustainable development trends and changes in issue coverage to give them a clearer focus	• "Net-zero Emissions Goals" and "Climate Assets" combined into "Achieving net-zero emissions goals"
Materiality Adjusted Adjusted the materiality of different topics based on the results of the impact assessment and matrix, and prioritized human rights-related topics in weighing their materiality	Topics of concern changed to material topics: • "Corporate governance and ethical management" • "Information security" • "Protection of workers' human rights" Material topics changed to topics of concern: • "Talent development and retention" • "Low-carbon operations" • "Multifaceted philanthropic platform" • "Financial inclusion"

Double Materiality Assessment Results

Aside from considering the economic, environment, and human impact of material topics, Fubon Financial Holdings goes a step further to assess the effect of a material topic on the organization's operations and does that with a double materiality analysis. The head of Fubon's ESG Task Force and other top managers determine a financial materiality score for the potential impact of the above-mentioned material topics on four aspects of the organization's operations: costs, revenue, commercial reputation and risk. It then calculates the "significance of external impact" results to generate a double materiality matrix and identify double materiality topics with significant impacts both internally and externally.

Double Materiality Matrix



1.3.2 Material Topic Management

Corporate	Material Topics	Material Topic Elements	Impact Description	Type of Impact					Top 10 Corresponding Risks from 2024 WEF Global Risks Report	GRI Topics	Material Topics Management Disclosure
				Positive	Negative	Economic	Environmental	Human			
 Governance	Information Security	Information security risk management, alignment with laws and regulations, information security awareness enhancement, defense in depth.	Information security vulnerabilities or hacker attacks on the network result in a leak of the personal information of customers, employees, or suppliers or of sensitive corporate information; or, a business interruption occurs due to inadequate information and network security management, infringing on the rights and interests of stakeholders and causing social unrest.		- Leak of corporate and customer information - Adverse effects of information security incidents	●		●	Cyber in security	GRI 418 Customer Privacy	2.4.4 Information Security Management
	Corporate Governance and Ethical Management	Independence and diversity of the board of directors, board of director operations, board of director performance evaluations, continuing education for directors, ethical management policies and systems.	The overall financial or economic system is shaken because of inadequate corporate governance and major negligence or due to an incident involving dishonesty, corruption, fraud, or malpractice; or financial services cause social unrest because they promote illegal behavior such as economic crimes or terrorism.		- Inadequate corporate governance - Involvement in criminal activities such as terrorism financing or money laundering	●		●		GRI 201 Economic Performance GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior GRI 405 Diversity and Equal Opportunity	2.2 Corporate Governance 2.3 Ethical Management
	Risk Management	Risk management structure and policies, emerging risk management, climate change risk management, biodiversity (TNFD) assessment, human rights risk management, risk culture establishment.	External emerging risks or the improper management of credit, market, interest rate, operational, liquidity or other risks cause the company to commit major violations or experience losses; or the interruption of service causes instability in financial markets, cuts off companies from financing, or prevents the public from accessing financial services, affecting the overall financial or economic order and creating social unrest.		- Inadequate risk management - Business interruption	●		●	Extreme weather Interstate armed conflict	GRI 201 Economic Performance	2.4 Risk Management
	Protecting Shareholder Rights	Operational strategies, performance and profits, creation of economic value.	The company follows appropriate operational strategies and its good performance results in sustained profits, creating greater economic value for the country and shareholders.	+ Protecting shareholder rights		●		●		GRI 201 Economic Performance	2.1.2 Operating Performance
 Decarbonization	Sustainable Finance	Green finance, green bond underwriting, responsible investment, thematic investing and ESG funds.	Funds are channeled into green or low-carbon economic pursuits or economic activity supportive of social development through investments, loans, and financial products, mitigating environmental concerns, easing social problems, and strengthening the overall economy's resilience. Also, by incorporating ESG factors into investment and loan decisions, funds are kept from going to companies that exacerbate climate change or infringe on individuals' human rights or from supporting operations that trigger economic, environmental, or social risks.	+ Promoting the sustainable development of industry through financial services	Environmental and social impacts caused by financial products and services	●	●	●	Extreme weather	GRI 201 Economic Performance GRI 203 Indirect Economic Impacts	2.4.2 ESG Risk Management 3.2.2 Responsible Finance Performance 3.2 Low-carbon Finance
	Achieving Net-zero Emissions	Reduce operational emissions, support climate action, assist clients with low-carbon transitions.	Investments, loans, or other climate actions lead businesses and industries to pursue sustainable transformations, helping them achieve net-zero emissions and reduce their environmental footprints.	+ Achieving net-zero emissions goals			●		Extreme weather	GRI 302 Energy GRI 305 Emissions	3.1 Net-zero Targets 3.2 Low-carbon Finance 3.3 Green Operations
 Digitalization	Fintech and Innovation	Fintech, mobile services, innovative services and products.	Foster a more convenient and digitalized financial environment, spur industrial development; or use digital financial services to improve the convenience and quality of customers' access and use of financial services.	+ Better, more convenient financial services through digital innovation		●		●	Lack of economic opportunity	GRI 203 Indirect Economic Impacts	4.1 Innovative Technologies
	Customer Relationship Management	Customer management, customer satisfaction, comprehensive claim settlement procedures and services.	Optimize the customer experience and enable customers to access and use higher quality financial services through the provision of better and more efficient financial products and services; at the same time, prevent customer disputes or the deprivation of customers' rights caused by flaws in financial products, business negligence, or poor service attitudes.	+ Protecting customer rights	Customer complaints and disputes	●		●		GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling	4.2 Customer Relationship Management

(Continue)

Corporate	Material Topics	Material Topic Elements	Impact Description	Type of Impact					Top 10 Corresponding Risks from 2024 WEF Global Risks Report	GRI Topics	Material Topics Management Disclosure
				Positive	Negative	Economic	Environmental	Human			
 Empowerment	Healthy Workplace	Marriage and child care programs, health and safety risk management and facilitation programs, encouragement of employee participation in a variety of social issues.	The ongoing optimization of the workplace environment and of workplace safety and health prevents occupational injuries and workplace accidents, and protects the health and rights of employees, suppliers, and other stakeholders.	+ Employee health promotion	— Occupational accidents and harm to employee health			●		GRI 403 Occupational Health and Safety	5.4 Friendly Care and Health-Facilitating Activities
	Protection of Workers' Human Rights	Employee rights, suppliers' human rights, investment and loan human rights, customer privacy.	Protect the rights of vulnerable groups, including women and people with disabilities, and nurture a diverse, equal workplace environment free of discrimination and harassment; keep employees, suppliers and customers from being treated inappropriately or facing discrimination, or from rights infringements such as overtime/forced labor.	+ Worker protection and workplace inclusivity	— Workplace human rights violations			●	Societal polarization	GRI 405 Diversity and Equal Opportunity GRI 406 Nondiscrimination GRI 407 Freedom of Association and Collective Bargaining GRI 409 Forced or Compulsory Labor	5.1 Diversity, Equity, Inclusion 5.2 Human Rights and Communications
 Connection	Health and Life Protection	Covers health risks, risk assessments of longevity/emerging diseases at different ages, and the planning and provision of insurance products and services related to daily living.	Strengthen the protection of customers' health and lives through financial products and services, help customers fulfill their life plans and goals, and enhance their living standards and those of their families; promote financial education to reinforce financial concepts among our employees and outside stakeholders and to achieve the ultimate goal of protecting customers' wealth and their financial security.	+ Safeguarding customers' health, financial health + Safeguarding customers' assets		●		●	Misinformation and disinformation	GRI 416 Customer Health and Safety	6.3 Facilitating Health

1.3.3 Stakeholder Communication

Fubon Financial Holdings reviews its list of stakeholders annually, and after the 2023 review, the list remained generally the same as in 2022, except that "communities" were added to the NGO/NPO stakeholder category because Fubon subsidiaries and foundations continue to interact and engage with local communities. Fubon Financial Holdings communicates closely with these stakeholders, and the main aspects of those communications are reported to the board of directors every six months, most recently in August 2023 and January 2024.

Stakeholder	Sustainability Topics	Due Diligence and Communication Methods/Frequency	Communication Activities in 2023
 Shareholders/Investors	- Protecting shareholder rights - Corporate governance and ethical management - Sustainable finance - Customer relationship management	- Shareholders meeting held annually. - Investor conference held quarterly. - Revenues reported monthly. - Participation in domestic/foreign investor forums to discuss the Company's finances and business. - Contact persons, email addresses for investors posted on Investor Relations and Stakeholders web pages.	- Held a shareholders meeting and reported shareholder opinions every quarter, strengthening the management of our communications with shareholders. - Participated in 157 investor meetings, including investor forums organized by J.P. Morgan, Nomura, BofA, Goldman Sachs, QIC, Citi, UBS, Morgan Stanley, and others; a Fubon representative served as one of the main speakers in a seminar at the J.P. Morgan forum and discussed Fubon's ESG management and the opportunities and challenges it faces. - Held 2023 Q1, Q2, and Q3 and 2023 full year bilingual (Chinese-English) investor conferences that could be accessed on site, online, or by phone.
 Customers	- Corporate governance and ethical management - Health and life protection - Information security - Customer relationship management - Fintech and innovation	- Customer satisfaction surveys conducted regularly. - Corporate seminars and risk management courses held occasionally. - Customer complaint channels and customer service hotline available.	- Annual customer satisfaction surveys conducted to gauge satisfaction with key products and services - Brand survey conducted annually, quantitative data from questionnaires and qualitative data from interviews at seminars used to track the perceptions consumers and customers have of the Fubon brand.

(Continue)

Stakeholder	Sustainability Topics	Due Diligence and Communication Methods/Frequency	Communication Activities in 2023
 Competent Authorities	- Corporate governance and ethical management - Sustainable finance - Information security - Risk management - Achieving net-zero emissions	- Annual report and sustainability report issued annually; shareholders meeting held annually. - CPA-audited financial statements released quarterly. - Operating data compiled and revenue reported monthly as required by competent authorities. - Occasional participation in seminars and briefings held by competent authorities. - Occasional visits made to regulatory agencies to share experiences.	- Named as a constituent of the Taiwan Stock Exchange's "Taiwan Corporate Governance Top 100 Index". - Issued financial statements, an annual report and a Sustainability Report as required by regulatory authorities. - Was invited to participate in public hearings and pilot meetings on refining Taiwan's "Reference Guidelines on Identifying Sustainable Economic Activity"; offered opinions on key indicators for the financial and insurance sectors. - Visited the Taiwan Stock Exchange Corporation's Administration Department to discuss "operational energy-saving carbon-reduction actions," shared Fubon's ESG experience. - Visited the Taiwan Carbon Solution Exchange to discuss "carbon credit trading and carbon credit development". - Together with regulatory agencies and police departments, mobilized 33 other banks to form an "Eagle Eye Anti-Fraud Alliance" and pledged to protect the assets of Taiwan's public.
 Employees	- Corporate governance and ethical management - Healthy workplace - Protection of workers' human rights	- Negotiate collective bargaining agreements every 3 years. - Employee engagement survey conducted every 2 years. - Senior managers present their expectations for employees and operating outlook at the beginning of each year. - Labor-management meetings and occupational safety and health meetings held quarterly. - Training courses, Volunteers days, and other activities held occasionally. - Has established an "Employee Grievance" section on Fubon's internal website. - Has set up a Remuneration and Nomination Committee.	- Labor-management meetings were held quarterly; discussed worker benefit issues and working conditions and helped coordinate labor-management relations, promoting labor-management cooperation. - Partnered with the National Taiwan University Risk Society and Policy Research Center to hold training courses on climate change, energy transitions, and sustainable finance and also held internal ESG events focused on a financial literacy board game to spread knowledge on sustainability. - For Fubon Volunteers Day, led employees in carrying out eco-friendly strategies aligned with United Nations SDGs 4 (Quality Education) and 15 (Life on Land). - Employee complaint cases and feedback handled based on existing procedures within set deadlines, and employees were given responses in writing or by phone; the cases were processed and settled in an effective and comprehensive manner. - The Remuneration and Nomination Committee assessed the salaries and overall remuneration of managers and submitted its recommendations to the board of directors, fully carrying out the assessment mechanism for manager salaries and remuneration.
 Community NPOs/NGOs	- Sustainable finance - Healthy workplace - Protection of workers' human rights	- The Fubon Sustainability Forum is held annually. - Communicates green competition concepts whenever possible. - Activities and donations publicly shared on foundations' websites.	- Teamed up with the Fubon Cultural and Educational Foundation and the National Taiwan University Risk Society and Policy Research Center to organize the Fubon Sustainability Forum; the issues covered included green finance, the TCFD survey, global threats, and extreme weather events, and a representative of the World Economic Forum was invited to discuss the WEF's Global Risks Report via video conference. - Fubon Financial Holdings and Taiwan Mobile advanced industry-academia cooperation co-sponsoring Academia Sinica's project on net-zero technologies (emerging technologies such as geothermal, marine energy, carbon-free hydrogen combustion, biomass, and high-efficiency solar). - In response to United Nations initiatives for environmental action, imparted sustainability concepts to competitors in sports events organized or sponsored by Fubon. - Participated in the Earth Solutions 2023 Sustainable Design Action Conference and advocated the many possibilities of sustainable living, from the Run for Green campaign linking road races to ecological conservation to the COVID-19 pandemic driving the digital transformation of financial services. - Participated in the Media Tech conference; used the platform to show how corporate brands can integrate online and offline activities and use digital technologies and social media to convey ESG concepts.
 Domestic, foreign sustainability groups (incl. sustainability experts and associations)	- Corporate governance and ethical management - Sustainable finance - Risk management - Achieving net-zero emissions	- Regularly participates in international ratings questionnaire surveys. - Joins sustainability groups and takes part in related forums and activities. - Engages in regular exchanges and communications.	- Selected to the DJSI World Index and DJSI Emerging Markets Index, and was ranked in DJSI Sustainability Yearbook. - Selected as a constituent of the Taiwan Sustainability Index. - Participated again in the annual DJSI sustainability assessment, CDP questionnaire, and MSCI ratings survey, and communicated with ratings analysts by letter and online messages. - Fubon contacts experts on various aspects of sustainability every year for suggestions; met with 13 such experts in 2023. - Attended meetings on environmental issues to get an understanding of how members of the international community have handled climate change, biodiversity and water resource issues and discuss Fubon's sustainability practices.
 Suppliers	- Achieving net-zero emissions - Protection of workers' human rights	- Supplier ESG training and a ESG conference with suppliers organized annually. - ESG evaluation of suppliers conducted annually.	- Offered a digital course on "Sustainability Management for Suppliers" through Fubon's electronic procurement system; suppliers were required to complete this online course before accessing the system to get tender documents and submit bids. - Referred to PAS 7000 and other international standards to design sustainability assessment questionnaires that suppliers in the electronic procurement system who did a certain amount of business with Fubon were asked to fill out; a total of 98% responded. - Completed ESG engagements with 10 key suppliers (conducted through ESG on-site audits, bringing the total to 20 by the end of 2023, or 50% of Fubon's 40 key suppliers); the on-site audits used to verify each supplier's ESG practices and implementation. - Held a Supplier ESG Conference at which suppliers with outstanding evaluations and excellent performances were commended; the overall results of the evaluations were explained and feedback and suggestions were provided. During the conference, a Fubon representative described Fubon Financial Holdings' information security requirements in a talk on "A Common Information Security Framework."
 Media	- Protecting shareholder rights - Corporate governance and ethical management - Customer relationship management	- Quarterly investor conferences are open to the media. - Press releases issued occasionally. - Dedicated divisions and personnel are in charge of communicating with and responding to the media.	- Quarterly investor conferences were open to the media; at the investor conferences, the Company presented a summary of its operations and progress on ESG initiatives, and the Company's president answered media questions. - Fubon Financial Holdings subsidiaries issued a combined 338 press releases and held occasional press conferences.

Note: "Communities" have been included in the NGOs/NPOs stakeholder category.

1.3.4 Promoting Business Development and Public Welfare Engagement

Fubon Financial Holdings has always paid close attention to the interplay between corporate operations and environmental, social and macroeconomic changes. Through our involvement in associations that have some influence over the policy-making process, Fubon can offer suggestions to the government on issues concerning the environment, society, and industrial and economic development. To further support the development of Taiwan's financial sector, Fubon Financial Holdings and its subsidiaries participate in the trade associations representing their particular sectors, and the president, chief risk officer and chief information security officer of the financial holding company are members of the Bankers Association's Financial Holding Business Committee, Risk Management Committee, and Fintech Innovation Development Committee, respectively. In 2023, Fubon Life and Fubon Insurance, took part in task forces in their respective associations working on manuals on TCFD practices and Scope 3 emissions. Also in 2023, Taipei Fubon Bank participated in a task force working on a manual covering the domestic banking sector's handling of financed emissions from investment and loan portfolios (Scope 3), and it was also an active participant in activities organized by regulatory authorities and related public, private, and academic associations.

Facilitating Industry Development and Public Consultations

Unit: NT\$

Contributions and other spending	2020	2021	2022	2023
Lobbying, interest representation	480,000	480,000	717,000	1,710,000
Trade associations or tax-exempt groups (e.g. think tanks)	536,300	534,800	536,300	304,300
Total contributions and other spending	1,016,300	1,014,800	1,253,300	2,014,300

Note: 1. Organizations included above are those with an influence on policy; coverage was 100%.

2. Political organizations/candidates and other activities (such as spending related to ballot measures or referendums): There have been no related donations and expenditures in recent years.

Amount Spent on Sustainable Development and Trade/Economic Groups

Unit: NT\$

Issue or Topic	Participation Approaches	Total spent in 2023
Taiwan's Trade and Economic Development	Fubon Financial Holdings is a member of the Chinese National Association of Industry and Commerce, Taiwan Financial Services Roundtable, and the American Chamber of Commerce in Taipei. Fubon participates in meetings, seminars and other activities, also offering suggestions and taking part in surveys. It also makes suggestions to the government on environmental protection and industrial upgrading and transformation, as well as on accelerating the digitalization process post-COVID and enhancing regulations related to information security, personal data management, and talent development.	1,474,300
Corporate Sustainability	Fubon Financial Holdings is a member of the Taiwan Corporate Governance Association, Business Council for Sustainable Development of the Republic of China (BCSD-Taiwan), and Taiwan Net Zero Emission Association and takes part in seminars and forums organized by these groups. It also takes part in exchanges on issues related to corporate sustainability to reinforce the implementation of its sustainability initiatives.	540,000

The three organizations Fubon participates in that have the most influence on government policy are described below

Unit: NT\$

Issue or Topic	Participation Approaches	Total spent in 2023
The American Chamber of Commerce in Taiwan (AmCham Taiwan)	AmCham Taiwan produces an annual "Taiwan White Paper" that makes suggestions on the development of Taiwan's capital markets and related regulations.	54,300
The Chinese National Association of Industry and Commerce (CNAIC)	The CNAIC serves as a bridge between the business community and the government and international trade organizations. It offers suggestions to the government, often urging it to take steps to improve the business environment and accelerate the upgrading of Taiwan's industrial base. It also promotes international trade relations within the business community by providing insight on the latest trade trends and industry information to strengthen members' international outlooks and management capacities. Fubon Financial Holdings and its subsidiaries have signed on to the "1.5°C Climate Action Declaration" initiated by the CNAIC. The agreement pledges to cooperate with the government's 2050 net-zero emissions pathway and mobilize private sector resources to spur a low-carbon industrial transformation and achieve the 1.5°C goals of the Paris Agreement.	1,170,000
Taiwan Financial Services Roundtable (TFSR)	The TFSR gathers the policy suggestions of industries and compiles them in an annual "Financial Recommendations White Paper." The paper presents the vision of the financial sector and proposes concrete adjustments to the sector's development in response to existing economic conditions.	250,000



2

Sustainability Governance



2023 Highlights

- **Taiwan High Compensation 100 Index**

Was a constituent of Taiwan Stock Exchange Corporation's "Taiwan High Compensation 100 Index" for a ninth straight year (2015~2023).

- **Most Independent Board Directors**

Had the most independent directors on its board of any domestic financial holding company, and had one female director.

- **Institutional Investor Most Honored Company**

Ranked first in the insurance category by *Institutional Investor* in its Asia (ex-Japan) Executive Team survey, and was the only Taiwanese company in the financial services sector to be ranked as a Most Honored Company for a second straight year.

- **Best IR Company, Best IR Professional**

Was honored for Best IR Company and Best IR Professional at the 13th Asian Excellence Awards in 2023 organized by *Corporate Governance Asia*.

- **Top 10 Benchmark Companies for Sustainability**

Named one of the "Top 10 Benchmark Companies for Sustainability," the highest honor conferred by the Taiwan Institute for Sustainable Energy Research (TAISE), for a fourth year in a row; also received an "Information Security Leadership" award.

- **Fubon Smart Compliance Platform**

Launched a Fubon Smart Compliance Platform to support legal, compliance, and business departments in implementing changes to laws and regulations and reducing compliance risks.

2024 Priorities

- Remain a constituent of the Taiwan Stock Exchange Corp.'s "Taiwan High Compensation 100 Index".
- Conduct an annual internal evaluation of the board of directors and have an independent, outside third party conduct a performance evaluation of the board.



2.1 About Fubon Financial Holdings

2.1.1 About Fubon Financial Holdings

Intent on becoming one of Asia's first-class financial institutions, Fubon Financial Holdings (the "Company") offers the most complete and diversified line of financial products and services in the industry through its many subsidiaries, including Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities, and Fubon Asset Management. These subsidiaries, all leaders in their respective fields, performed extremely well in 2023 despite a changing global geopolitical environment and volatile capital markets. Fubon Financial Holdings had net income of NT\$66.02 billion, and its earnings per share (EPS) of NT\$4.80 ranked first in the sector for the 15th consecutive year. Consolidated assets also continued to grow, rising 5% from 2022 to surpass NT\$11 trillion as of the end of 2023.

Beyond deepening its presence in Taiwan, Fubon Financial Holdings has continued to forge a regional network and initiated innovative financial models through alliances with other industries in an effort to provide old and new customers an even more attractive portfolio of financial services. In 2021, we acquired Jih Sun Financial Holdings, and we completed the merger of its banking and securities subsidiaries and other sub-subsidiaries in the first half of 2023, the latest step toward our goal of becoming one of Asia's first-class financial institutions.



† The main businesses and profit models of Fubon's five main subsidiaries are detailed below

Subsidiaries	Fubon Life	Taipei Fubon Bank	Fubon Insurance	Fubon Securities	Fubon Asset Management
Main Business	Life insurance, Health insurance, Injury insurance, Annuity insurance	Institutional banking, Retail banking, Financial markets, Overseas bank branch business	Auto insurance, Health/injury insurance, Commercial fire insurance, New types of insurance, Marine insurance, Home fire insurance, Engineering insurance	Brokerage business, Proprietary trading, Underwriting business	Mutual funds, ETF funds, Discretionary investment
Profit Models	Underwriting profits, Investment income	Interest income, Fee income, Investment income	Underwriting profits, Investment income	Fee income, Investment income	Management fee income, Processing fee income
2023 Profit Performance	NT\$36.091billion	NT\$24.473billion	-NT\$2.230billion	NT\$7.054billion	NT\$650million
Performance	- Total premium, first-year premium, and total assets all ranked 2nd in the industry. - Introduced the 1st online issuance of new policies and rolled out a "smart text customer service chatbot". - Launched an innovative "Work for Green" mechanism linking results to sustainability, encouraging employees to participate in tree-planting and restoration activities.	- Merged Jih Sun Commercial Bank into Taipei Fubon Bank and issued Costco co-branded credit cards; had more than 8.8 million customers and the most branches of any private bank in Taiwan. - Issued its first TCFD Report, which was certified by BSI as achieving the highest "Level 5+: Excellence" rating. - Pioneered the 1st sustainability-linked loan, the first third-party certified green loan, and the first sustainable supply chain finance initiative in Taiwan.	- Achieved a 23.8% market share with the help of group resources and diversified channels; it was once again the highest among non-life insurers. - Received the 1st UL2799 certification for a demolition project anywhere in the world, reflecting its commitment to net-zero. - Was first in the non-life insurance sector to commit to "2050 net-zero" underwriting.	- Merged Jih Sun Securities into Fubon Securities; 7.56% brokerage market share 3rd in the sector; had a 9.56% share of the financing market and a 17.08% of the securities lending market. - Integrated online and offline channels to strengthen management of customer segments, optimize digital services, and create a "customer-oriented" investment journey. - Launched Taiwan's first cross-product ESG section on its website.	- Boosted by steady global economic growth, Fubon's mutual fund AUM grew 39% from the previous year to around NT\$6.74 trillion and its ETF AUM grew 65% to NT\$3.85 trillion. - Pioneered the industry's 1st domestic Metaverse ETF and green energy-themed ETF.

2.1.2 Operating Performance

	2020	2021	2022	2023
Total Assets (NT\$ million)	9,244,453	10,499,733	10,587,757	11,106,312
Equity Attributable to Owners of the Parent (NT\$ million)	762,869	949,569	565,691	802,437
Consolidated Net Income (NT\$ million)	90,972	147,235	47,864	65,042
Net Income Attributable to Owners of the Parent (NT\$ million)	90,272	144,559	46,926	66,017
Earnings per Share (NT\$)	7.04	11.33	3.37	4.80
Return on Assets (ROAA)	1.32	1.70	0.83	1.36
Return on Equity (ROAE)	13.17	16.88	6.19	9.65

Source: 2023 Fubon Financial Holdings Annual Report, pgs. 324-335

Note: Because capital reserves were converted into a capital increase between 2021 and 2023, earnings per share and return on assets were retroactively adjusted for the past five years in accordance with relevant regulations.

Fubon Financial Holdings' Ratings in 2023

Fubon Financial Holdings puts a high priority on controlling risk to maintain a level of asset quality that exceeds the market average and strengthens the Company's capital structure. Fubon Financial Holdings' capital adequacy ratio (CAR) was approximately 128.91% in 2023, well above the legally required 100% minimum.

Rating Agency Type	Rating Agency	Credit Rating		Outlook	Effective Date
		Long term	Short term		
International	Moody's	Baa1	-	Stable	2023/10/13
	Standard & Poor's	BBB+	A-2	Stable	2023/11/10
Domestic	Taiwan Rating Corp.	twAA	twA-1+	Stable	2023/11/10

2.1.3 Tax Governance

Tax Strategy

In response to global trends in tax governance, Fubon Financial Holdings established the "Fubon Financial Holdings Co., Ltd. and Subsidiaries Tax Governance Policy" to ensure regulatory compliance, carry out sustainable development, increase shareholder value, and fulfill its corporate social responsibility. The board of directors, the highest decision-making body within Fubon's tax risk management mechanism, is responsible for approving general tax governance policies to ensure effective tax management. Related regulations and implementation methods are outlined below.



Tax Governance Policy

Tax governance I

Annual tax governance execution plan and results reported to the Company's Corporate Governance and Sustainability Committee at least once a year, and tax management status reported to the board of directors.

Risk management I

Tax risks proactively handled and managed to reduce the impact of such risks.

Lawful planning

Tax planning should be done in compliance with relevant laws, and no transactions should be conducted for the sole purpose of avoiding taxes. When planning taxes, consideration should be given to business operations and Fubon's social responsibility, reputation, risk management framework and sustainability values in different countries.

Reasonable profit allocation

Profits are not transferred to non-cooperative tax jurisdictions and tax havens (low-tax countries) as defined by the Organization for Economic Co-operation and Development and the European Commission.

Professional assessment

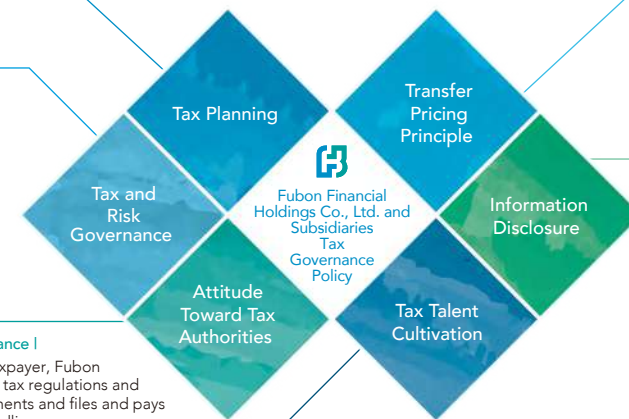
Tax risks and their impact associated with relevant local and international laws and regulations are assessed when making important decisions; external experts are consulted when evaluating strategies, as necessary.

Arm's-length transaction principle I

The pricing or profit in controlled transactions with related parties, in commercial or financial terms, is not different from that of transactions between non-related parties.

Information transparency I

Tax information appropriately disclosed in financial statements, annual reports, and sustainability reports; tax strategies and tax-related information in different countries posted on the Company's website and updated regularly.



Regulatory compliance I

As a responsible taxpayer, Fubon complies with local tax regulations and disclosure requirements and files and pays its taxes by the deadline.

Honesty and professionalism I

Continuous communication is maintained with local tax authorities in an honest, professional and open manner.

Timely communication I

When faced with uncertainty related to major tax issues or proposed tax treatments, the Company and its subsidiaries discuss the issues with companies in the same sectors, industry associations, and external experts and consultants to find appropriate ways to communicate or negotiate with, or apply for a ruling or guidance from, tax authorities.

Continuous learning

Committed to enhancing professional competency in tax operations by continuously training talent, offering regular internal tax courses, and encouraging staff to take part in external seminars and courses; regular updates on domestic and international tax laws provided in real time to remain up to date on the changing tax law environment.

Performance evaluations

Integrity, professionalism, sincerity and innovation emphasized; evaluations regularly conducted by competent supervisors covering such areas as regulatory compliance, operational risk management, deficiencies identified in arbitration cases, inspections by competent authorities, and high-risk deficiencies identified in internal audits and inspections.

Professional knowledge transfer

Documentation developed on non-recurring or unusual cases, and meetings regularly convened and responsibilities divided up on those issues to strengthen the handing down of institutional knowledge.

Business Operations

Fubon Financial Holdings' primary operations are in Taiwan. 94.19% and 86.66% of its net revenue in 2022 and 2023, respectively, originated in Taiwan.

Year	Net Revenue (A) (NT\$ million)	Net Revenue Originating in Taiwan (B) (NT\$ million)	Net Revenue Originating in Asia (NT\$ million)	Net Revenue Originating in Other Areas (NT\$ million)	Weight Originating in Taiwan (B+A) (%)
2022	259,458	244,378	16,578	(1,498)	94.19
2023	167,799	145,409	27,171	(4,781)	86.66

Source: FY2023 Fubon Financial Holdings Consolidated Financial Statements, pg. 487

Tax Policies and Tax Information in Different Countries

Tax Payment Overview

Go to "ESG Reference Documents" on Fubon's website for more information on the Company's tax policies, tax information in different countries, and major business operations (including revenues, pre-tax income, current income tax expenses, income taxes paid, tangible assets, employee numbers, and main operating activities).



ESG Reference
Documents

Income Tax and Effective Tax Rate

Fubon Financial Holdings paid NT\$19.86 billion and NT\$9.48 billion in income taxes worldwide in 2022 and 2023, respectively. Below are details on the Company's income taxes for those two years.

Year	Net Income before Tax (NT\$ million)	Income Tax Expense (NT\$ million)	Income Taxes Paid (NT\$ million)
2022	60,946	13,081	19,856
2023	74,444	9,402	9,480

Source: For information on net income before tax and income tax expense, see the "Consolidated Statements of Comprehensive Income" on pg. 6 in the FY2023 Fubon Financial Holdings Consolidated Financial Statements. For information on income tax paid, see the "Consolidated Statements of Cash Flows," pg. 8.

Fubon Financial Holdings' Effective Tax Rates and Cash Tax Rates and Related Industry Averages in 2022 and 2023 were as Follows:

Year	2022	2023	Weighted Average	Industry Average
Effective Tax Rate (%)	21.46	12.63	16.61	14.97
Cash Tax Rate (%)	32.58	12.73	21.67	13.41

Source: FY2023 Fubon Financial Holdings Consolidated Financial Statements.

- Effective Tax Rate = income tax expense ÷ net income before tax
- Cash tax rate = income taxes paid ÷ net income before tax
- The "industry average" value for effective tax rates and cash tax rates are calculated according to the average effective tax rate and average cash tax rate for the insurance sector among 20 standard global industry sectors based on the CSA Handbook 2024 published in 2024 by S&P Global.
- The discrepancy in effective tax rates is due to the following:
 - Fubon Financial Holdings' operations are based primarily in Taiwan, and 90% of net income is generated in Taiwan, which has a statutory corporate income tax rate of 20% and an alternative minimum tax rate of 12%.
 - Fubon Financial Holdings' effective tax rate in 2022 was higher than the global average for the industry and Taiwan's statutory income tax rate mainly because taxes on undistributed profits accounted for a relatively high percentage of pre-tax net income compared to previous years. The effective tax rate in 2023 was lower than the global average for the industry mainly because of a relatively high share of tax-exempt income from securities and futures trading.
 - The difference in the cash tax rate and effective tax rate is mainly due to 1) tax expenses estimated for a fiscal year being different from the actual cash tax payments made the following year and 2) the impact of the deferred income tax.

2.2 Putting Sustainable Governance into Practice

2.2.1 Board of Directors' Operations

Fubon Financial Holdings' board of directors is the highest governance body in the corporate structure. Since 2014, board candidates have been determined by a nomination mechanism. Nominees are elected from a list of candidates at the annual shareholders meeting. Director candidates (including independent directors) are selected and recommended to the board based on the independence standards stipulated by regulatory authorities, as well as the Company's "Procedures for the Election of Directors." The board convenes at least once a quarter, and nine board meetings were held in 2023. The attendance rate was 94.39% (100% if attendance by proxy was included). The Company has also made the average attendance rate a factor in board directors' performance evaluations to fully evaluate the degree of engagement by directors in the Company's operations.

For more information on the operations of the functional committees under the board, please see pgs. 82-84, 93-96, and 119 in the 2023 Annual Report.

Note: The Company's self-assessment questionnaire for board director performance evaluations sets scoring standards based on attendance rates, as follows: full attendance (5 pts.), missed one meeting (4 pts.), missed two meetings (3 pts.).

Functional Committee Organization and Operations

Committee	Composition Rules	Share of Independent Directors	Main Responsibilities	2023 Operations	
				Met Times	Average Attendance Rate (%)
Corporate Governance and Sustainability Committee	- Members appointed by the board and must be board directors. - Must have no fewer than 3 members. - At least half of the members must be independent directors.	75%	- Helps the board nominate board of director candidates and recommends potential independent directors for Fubon subsidiaries. - Develops initiatives and advises the board on its internal operations and management issues. - Oversees implementation of CSR and sustainability initiatives and evaluates their effectiveness.	6	95.35
Audit Committee	- Made up of all of the Company's independent directors. - Must have no fewer than 3 members.	100%	- Oversees the fair presentation of the Company's financial statements. - Hires (dismisses) the accounting firm used by the Company and certifies its independence and performance. - Monitors the effectiveness of the Company's internal controls. - Oversees the appropriateness of internal compliance procedures. - Oversees the management of existing or potential risks.	8	100.00
Remuneration and Nomination Committee	- Members appointed by the board of directors. - Must have no fewer than 3 members. - At least half of the members must be independent directors.	100%	- Establishes and reviews the Company's policies, systems and structures related to the performance evaluations and remuneration of board members and managerial officers. - Regularly assesses the actual remuneration paid to board members and managers.	8	100.00

Since 2002, the Company has purchased "Director, Supervisor and Key Staff Liabilities Insurance" on an annual basis to mitigate the legal and financial risks of Fubon Financial Holdings and its subsidiaries and their board directors, board supervisors, and key personnel. The measure was taken in consideration of the importance of board members and key personnel being able to exercise their rights and fulfill their duties and to reinforce the Company's corporate governance mechanism.

A clear conflict of interest avoidance system has also been established for board directors. In addition to requiring directors to avoid situations as provided by relevant laws and regulations, it also stipulates that directors should recuse themselves if a potential conflict exists on such issues as appointing a financial holding company manager or a subsidiary board director or supervisor (see Position(s) Held Concurrently in the Company and/or in Any Other Company in the 2023 Annual Report pgs. 15-23), lifting non-competition restrictions, or being an interested party in a resolution (see the 2023 Annual Report, pgs. 56-66). As for implementing Company or subsidiary rules on transactions with stakeholders, the Company's interests shall be the first priority, and fair trade principles shall be respected to prevent the pursuit of personal gains.

Directors' Continuing Education

In accordance with Fubon's "Directions for the Implementation of Continuing Education for Directors," the Company's directors take at least six hours of continuing education courses a year. To further enhance their competencies as directors, the Company encourages them to seek further avenues of learning by providing information on a diverse range of courses or seminars held by external institutions. It also arranges for third parties to hold courses on-site for Fubon Financial Holdings directors and directors and supervisors of subsidiaries every year. In October 2023, for example, Fubon invited outside experts to speak on the topics of "The New Key Issues of Fair Customer Treatment - Sustainability of Digital Finance and Consumer Protection" and "Industry Changes, Opportunities, and Challenges from Generative AI." The lectures covered corporate governance-related themes such as finance, risk management, business and corporate social responsibilities. For more information on the continuing education of Fubon board directors, see pgs. 78-82 of the Annual Report or the section on Continuing Education of Directors in the Taiwan Stock Exchange Corp.'s MOPS (Market Observation Post System).

Major Corporate
RegulationsDirectors' Continuing
Education

2.2.2 Board of Directors' Independence and Diversity

The Company currently has six independent directors and three other external directors ^{Note} with some independence. Independent directors and external directors account for 40% and 60% of the seats on the board, respectively, not only so that external directors (including independent directors) continue to account for more than half of the board but also to ensure that independent directors fulfill their duties objectively and avoid having their independence comprised by a long tenure. The average tenure of the board's directors was 6.1 years as of Dec. 31, 2023, and none of the elected independent directors have consecutive terms exceeding nine years. Meanwhile, to solidify the Company's business development and corporate governance practices, the board has set up an Executive Committee led by the Company's chairman, and there is one director who holds a management position with the Company.

Intent on bringing together people of diverse backgrounds and visions to strengthen the decision-making process, Fubon actively promotes diversity in the board's composition by pursuing a balance of expertise and gender. "The Procedures for the Election of Directors" stipulate that the composition of board members shall take into consideration basic criteria such as gender, nationality, and culture. In 2019, those procedures were revised to include criteria for directors' professional skills and capabilities.

Note: An external director's independence is assessed based on several criteria. An external director must meet at least four of the following nine criteria and at least two of the first three criteria. (Please see the Company's 2023 Annual Report for more on Taiwan's legal standards.)

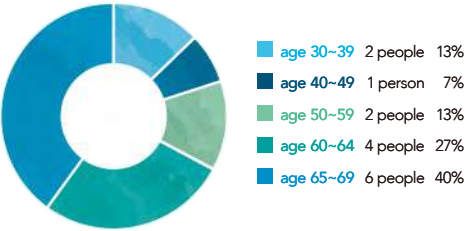
1. During the past one year, the director has not been employed by the Company as a high-level manager.
2. During the current year, the director and his/her family members have not accepted any payments from the Company or any of its subsidiaries in excess of US\$60,000, with the exception of directors who meet the criteria of United States SEC Rule 4200.
3. During the current year, no member of the director's family has been employed as a high-level manager by the Company or any of its subsidiaries.
4. The director is not a consultant of the Company or the management team, and is not a related party of the Company's consultants.
5. The director is not an interested party of the Company's main customers or suppliers.
6. The director has no service contracts with other enterprises or their managements.
7. The director is not a related party of the major nonprofit organizations that receive donations from the Company.
8. During the past year, the director has not been an employee or co-founder of an external inspection agency.
9. The directors and the board of directors operate independently without any conflict of interest.

Date: 2023/12/31

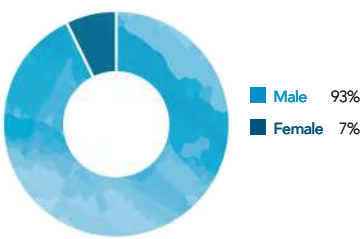
Director Name	Ind. Director	Gender	Tenure (years)	Professional Skills (5 primary areas of expertise)								Qualifications				Industry Experiences
				Accounting	Finance	Legal	Commerce	Investment and M&A	Fintech	IT/Information Security	Risk Management	Operations Management	E-commerce/Marketing	Financial Holding	Banking	Insurance
Richard M. Tsai		Male	22.2	●			●	●	●		●		●	●	●	Financials
Daniel M. Tsai		Male	22.2				●	●	●		●	●		●		Financials
Jerry Harn		Male	13.1	●			●	●		●	●		●	●		Financials
Howard Lin		Male	7.4	●			●	●		●	●		●		●	Financials
Chin-Chuan Hsu		Male	1.2			●	●			●	●	●	●		●	Financials
Chris Tasi		Male	0.7	●			●	●	●		●			●		Financials Information Technology Communication Services
* Ruey-Cherng, Cheng		Male	7.1	●	●		●	●		●						Financials
*Hsiao-Lan Hu		Female	0.4		●	●				●	●	●				Real Estate
* Tang-Kai Lien		Male	1.2			●	●			●	●					Financials
* Shin-Min Chen	●	Male	6.7			●	●	●		●	●		●			Financials Real Estate
* Shu-Hsing Li	●	Male	3.7	●	●		●			●	●		●			Healthcare Financials Information Technology Real Estate Utilities
* Alan Wang	●	Male	3.7		●		●	●		●	●		●		●	Financials Real Estate
* Paulus Siu-Hung Mok	●	Male	0.7		●			●	●	●	●		●		●	Financials
* Barry Chen	●	Male	0.7				●		●	●	●					Information Technology
* Kuang Shih Yeh	●	Male	0.7				●			●	●	●	●		●	Materials Industrials Communication Services Utilities

Note: *Criteria for assessing external director independence

Age Distribution of Fubon Financial Holdings Board Directors



Gender Distribution of Board of Directors



2.2.3 Performance Evaluation

To establish a director feedback mechanism to improve the effectiveness of the board of directors' operations, the Company conducts evaluations based on the "Performance Evaluation Policy for the Board of Directors and Its Functional Committees" that include ESG participation indicators among the criteria assessed. The Company's board of directors and functional committees undergo a performance evaluation at the end of each year and the results are reported to the Corporate Governance and Sustainability Committee and the board itself and used as a reference in setting director compensation. For more on director compensation, please see pg. 60 of the 2023 Annual Report. The results of the 2023 internal performance evaluations of board directors and the board's functional committees were submitted to the board in March 2024. The average score was 4.9 (on a scale of 5), indicating that Fubon's overall corporate governance operations were robust. For more on the performance evaluations' results, please see the Company's website or pgs. 70-75 of the 2023 Annual Report.

Also in 2022, an independent third party, the Taiwan Corporate Governance Association, was commissioned to review in a professional and objective manner the operations of the board of directors and its functional committees. The resulting performance evaluation was submitted to the board of directors in March 2022. For more, please see the 2021 Annual Report, pgs. 76-78.

2.2.4 Sustainability and Compensation

The Company has set an "Executive Remuneration Policy" and "Guidelines on Executive Performance Evaluations and Payment of Remuneration" that promote the Company's sustainable management and development and more closely link senior management incentives and bonuses with company performance and shareholder interests. These norms stipulate that in addition to weighing an executive's personal experience, job responsibilities, individual performance, and contribution to their company's overall performance, executive remuneration should also factor the salary's market competitiveness and the company's stable long-term development and risk tolerance. An executive's overall pay consists of fixed compensation (salary, allowances) and variable compensation (i.e. performance bonuses, employee distributions based on operating performance), and a long-term deferred bonus mechanism has been put in place.

Two broad categories of annual performance indicators – key business indicators (70%) and leadership qualities (30%) – have been set for CEOs and top executives based on Fubon Financial Holdings' "Performance Evaluation Policy"

to link compensation to performance. Under the key business indicator category, specific indicators and weightings are set for such areas as "company operations and financial results," "ESG promotion and execution," and "compliance, risk management and internal audits/controls," depending on the executive's responsibilities. Among non-financial sustainability indicators, at least 5% of the performance evaluations of the chairmen and presidents of Fubon Financial Holdings and its subsidiaries and of those companies' managers whose duties are related to ESG promotion or execution are related to the achievement of ESG goals. Annual performance bonuses are paid based on the individual's performance and the company's profitability.

The Company has also set up a "Remuneration and Nomination Committee" to ensure that Fubon's performance evaluations and compensation structure for CEOs and top executives remain effective. The committee regularly reviews performance evaluation and remuneration policies and systems, payment standards, salary structures, and individual compensation for CEOs and top executives. Recommendations made by the committee are then submitted to the board of directors for discussion to complete the remuneration assessment process for top executives. Meanwhile, the distribution of employee compensation and director remuneration is reported at the annual shareholders meeting.

Performance Target Indicators, Weights, and Specifics

Assessment Indicator and Weight		Description
Key Business Indicators 70%	Corporate development strategies & operations, and financial performance	- Financial metrics include pre-tax income, net income, ROE, and total revenue. - Relative financial metrics include direct written premium market share, spot market share, and securities lending market share and average outstanding balance.
	ESG promotion and implementation (at least 5%)	Twenty long-term ESG KPIs and performance indicator ratios have been set for 2025 based on the duties of the six ESG Task Force teams and Fubon's ESG Visioning Project goals, as follows: - Helping customers transition to sustainable practices: 5 KPIs - Providing the best financial services: 8 KPIs - Fostering a friendly, healthy, happy workplace: 3 KPIs - Connecting society's positive forces: 4 KPIs Please see Section 1.1.2 Sustainability Goals for more on KPIs.
	Regulatory compliance and internal audits & controls	Includes regulatory compliance, risk management, internal audits and control.
Leadership Qualities 30%		Integrity, sincerity, professionalism, innovation and positive energy (based on the Fubon Financial Holdings' ESG Visioning Project blueprint and achievement of the Company's ESG strategic goals).

To strengthen corporate governance and risk management, the Company has established a "Deferred Bonus Policy" that stipulates guidelines for deferred bonuses, such as whom they apply to, the proportion of the bonus to be deferred, time limits of the deferral, deferral methods, and a bonus recovery mechanism. According to the policy, 30% of the annual variable bonuses for CEO and senior managers are deferred for up to a maximum of three years, with the bonus amount linked to the company's stock price. The three-year deferral period helps more closely link the remuneration of CEOs and top executives to the Company's long-term operating performance. Meanwhile, a recovery mechanism has also been put in place. In the event of expected or incurred losses caused by operational misconduct leading to undue risk, the Company can recover all or a portion of the deferred bonus based on risk reports issued by its risk management department.

Studies have found that the value of the stocks held by top executives and a company's operating profit are positively correlated. At present, the value of the stocks held by the financial holding company's CEO is 21.75 times his base salary, and the value of shares held by executives at the vice president level or above (excluding the CEO) averages 2.51 times their base salary.



Performance Evaluation Policy for the Board of Directors and Its Functional Committees



Results of the Board of Directors' Performance Evaluation

2.3 Ethical Management

The core values of Fubon Financial Holdings are integrity, sincerity, professionalism and innovation, and "integrity" is foremost among them. A Corporate Governance and Ethical Management Team was set up under the ESG Task Force to strengthen the promotion of ethical management throughout the organization and deepen the presence of integrity and ethics in the Company's operating strategy.

2.3.1 Policies and Systems

The Company has established several rules and guidelines shown in the table below to establish a corporate culture founded on ethical management and create a sustainable operating environment. These rules and guidelines apply to the financial holding company and its subsidiaries, and their establishment and revision must be reviewed and approved by the board of directors. The Company quantitatively checks existing or potential unethical behavior through the established mechanisms of control assessments and key risk indicators monitoring, and adopts corrective measures as necessary. In 2023, no unethical behavior was detected. At the same time, the company completed the establishment of a new systematic methodology for assessing the risk of unethical behavior that is aligned with regulatory authority regulations. It quantifies the likelihood of unethical behavior occurring and looks at risk mitigation measures already in place and then uses a risk matrix to calculate inherent and residual risks, which inform the overall risk assessment result. If there is low to medium risk that exceed the target for residual risk tolerance, corrective measures must be devised. In 2023, there were no "low to medium risks" among either inherent or residual risks of the identified unethical behaviors, and therefore no corrective measures were needed.

Policy	People/Groups Covered	Policy Goals (i.e. provisions in rules)
Ethical Corporate Management Best Practice Principles	The Principles apply to Fubon Financial Holdings and its subsidiaries, any foundation in which the Company's direct or indirect donations account for more than 50% of the foundation's funding, and other institutions or legal persons that are substantively controlled by the Company (business group).	Based on its management ideals of integrity, transparency and accountability, Fubon established the Principles to foster a corporate culture of ethical management and sound development and create a sustainable operating environment through good commercial practice models and risk management mechanisms.
Procedures for Ethical Management and the Guideline for Conduct	The Procedures apply to Fubon Financial Holdings and its subsidiaries, any foundation in which the Company's direct or indirect donations account for more than 50% of the foundation's funding, and any other institution or legal person that is a group enterprise or organization substantively controlled by the Company.	The Company engages in commercial activities based on the principles of fairness, honesty, transparency and being trustworthy. The Procedures were established to fully implement a policy of ethical management and actively prevent unethical conduct, and give employees clear direction of what to pay attention to when carrying out their duties. The Procedures were based on the Ethical Corporate Management Best Practice Principles and applicable laws and regulations in jurisdictions where the Company, its business groups and organizations operate.
Code of Ethical Conduct	The Code is applicable to the Company and its subsidiaries' board directors (including independent directors) and supervisors; presidents, senior vice presidents, and vice presidents or their equivalents; and executives in financial and accounting departments. It also refers to other persons with managerial authority and the power to sign documents on the companies' behalf.	The Code was adopted to encourage people in positions of authority at the Company and its subsidiaries to act in line with ethical standards and enable the companies' stakeholders to better understand their ethical standards.

Policy	People/Groups Covered	Policy Goals (i.e. provisions in rules)
Work Rules	All employees	The Rules clearly stipulate the rights and obligations of workers and management, and cover hiring, training, discipline and conduct, work hours, rest time, leave requests, vacation, wages, rewards and disciplinary action, evaluations, termination of employment, severance, resignations, retirement, occupational hazard compensation, bereavement payments, occupational safety and health, benefits, and labor-management communication; the Rules have established a robust management system, enabling the Fubon workforce to work together for the good of the company.
Donation Management Policy	The Company and subsidiaries	The Policy ensures that the management of donations made by the Company and the subsidiaries listed on the Company's business license (the "subsidiaries") follows clear guidelines, fulfills Fubon's social responsibility, and puts into practice the Company's corporate citizenship vision.
Financial Consumer Protection Management Policy	Subsidiaries	- Established specifically to protect the rights and interests of financial consumers, and fairly, reasonably, and effectively handle disputes between consumers and Fubon subsidiaries caused by company products or service. - Covers the principles that should be upheld when signing contracts with consumers, the company's obligations toward consumers, treating customers fairly principles, handling disputes with consumers, and other provisions related to protecting the rights of financial consumers.
Group Policy for Anti-Money Laundering and Countering the Financing of Terrorism	The Company and subsidiaries * If the regulatory requirements of jurisdictions in which overseas subsidiaries are located are stricter than those in Taiwan, those subsidiaries shall comply with the stricter requirements.	The Policy was established to enable the Company and its subsidiaries as defined in Article 4 of the Financial Holding Act to fulfill their obligation to prevent money laundering and counter the financing of terrorism based on the rules of the jurisdiction in which they are registered, forge AML/CFT mechanisms, and reduce the risk of products and service they provide being used to carry out money laundering and terrorism financing.
Supplier Sustainable Development Code of Conduct	All of the company's suppliers	Spur cooperation between Fubon Financial Holdings and its suppliers to promote sustainable development and balance economic, social, and environmental interests.

2.3.2 Commitments and Mechanisms

Education and Training

Fubon Financial Holdings requires new employees to take three hours of digital courses on the prevention of money laundering and terrorism financing, personal information protection, information security, and the three lines of defense internal control framework, as well as the compliance system and legal education. In 2023, 50,498 people, or almost 100% of financial holding company and subsidiary employees, completed training on the "Integrity Code of Conduct" (including on combating corruption). It requires that employees comply with procedures for acting with integrity and handling unethical behavior and encourages the reporting of unethical behavior. At the same time, mandatory training on compliance and risk management is undertaken on a regular basis and covers the Personal Data Protection Act, the Money Laundering Control Act, and information security, and supervisors receive training on internal control management. All of this training is designed to further internalize ethical and legal concepts.

In terms of suppliers, Fubon Financial Holdings requires suppliers in good standing in Fubon's electronic procurement system to comply with the "Supplier Sustainable Development Code of Conduct" and sign the "Supplier Standard of Conduct Pledge," and it provides training on both of those norms. Meanwhile, Fubon Financial Holdings and subsidiary board directors receive annual training on ethical management (including combating corruption), and 100% of directors completed the course in 2023.

Evaluation System

The importance of ethics is also emphasized in Fubon's evaluation system. Evaluations of the board of directors and its members cover the Company's core values, and all employee evaluations include criteria related to integrity. Individual employee evaluations include "internal audit and control indicators" that look at whether an employee has violated internal audits or controls, or compliance or operational risk rules, along with the results of an annual compliance evaluation and an annual special audit. Target achievement rates are effectively tied to bonuses based on provisions in the Company's "Performance Evaluation Policy" to strengthen Fubon's ESG efforts.

Whistleblowing Policy

Fubon Financial Holdings has established a "Whistleblowing Policy" that designates compliance units as being responsible for handling whistleblower cases and clearly lays out investigation procedures, investigation units, and the composition of an Investigation Committee. It states that anybody who discovers that a responsible person or employee of Fubon Financial Holdings or any of its subsidiaries or sub-subsidiaries may have committed a crime, engaged in fraud, or broken the law can report the behavior to Fubon through tip-off channels (including the tip-off mailbox whistleblowing.fhc@fubon.com and telephone hotline 02-6636-7080) posted on the Company's website. In 2023, most of the feedback received through these channels involved customer complaints directed at a subsidiary or general inquiries, and they were handled satisfactorily based on existing guidelines.

Whistleblower Protection Mechanism

In terms of whistleblower protection, any person who is involved in or is familiar with a case must keep all related information, including details of the case and the identities of the accused and the whistleblower, strictly confidential. Violators will be punished according to the Company's internal regulations. The Company and its subsidiaries must not dismiss, relieve of his or her duty, demote, cut the pay of, impair the benefits entitled by law, contract, or customary practices of, or impose any adverse treatment on a whistleblower because of the report filed. We also allow anonymous reports, and have added a provision that allows the Company to give any person reporting an abuse a reward if the report is proven to be true and involves a serious situation.

In 2023, the Company received a total of 44 reports in the tip-off mailbox. The complaints were mainly about service disputes or the optimization of operating procedures, and the whistleblowers in those cases have received responses.

Cases involving subsidiaries were transferred to the responsible units of the companies involved in accordance with the rules. The "Handling of Cases Reported Involving the Five Major Subsidiaries" shown below covers 37 cases transferred to them by the financial holding company. Therefore, the column for type and number of complaint cases for Fubon FHC no longer double counts those involving subsidiaries, and only seven cases are listed in that column for 2023.



Whistleblowing Policy

Handling of Cases Reported Involving the Five Major Subsidiaries

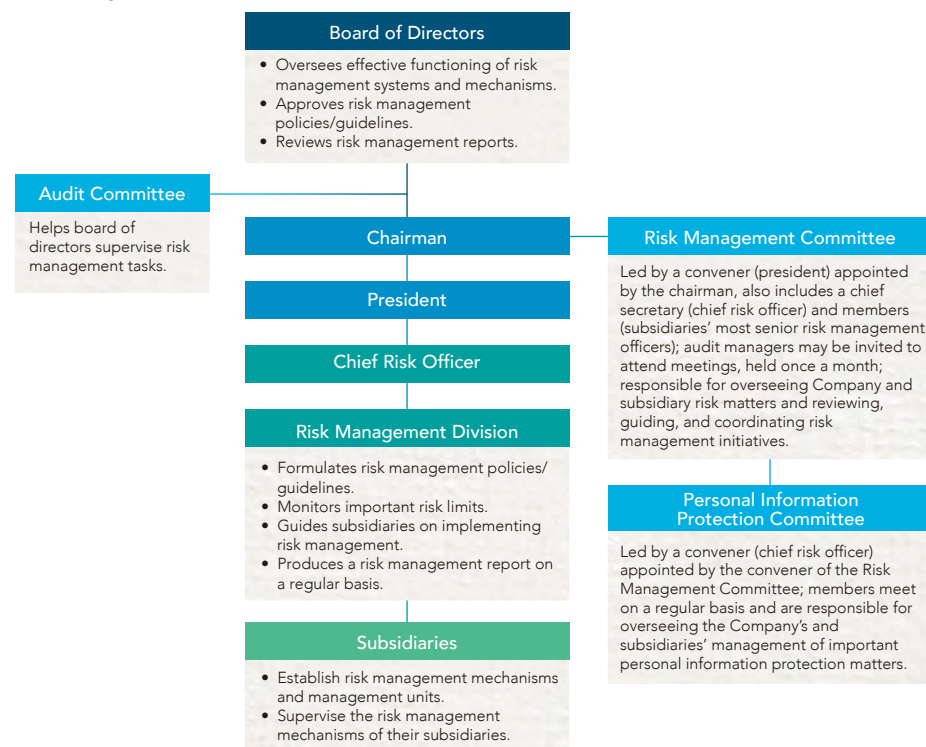
Complaint Type/Number of Complaints	Fubon FHC			Fubon Life			Taipei Fubon Bank			Fubon Insurance			Fubon Securities			Fubon Asset Management		
	Number of Complaints	Handling	Closed Case	Number of Complaints	Handling	Closed Case	Number of Complaints	Handling	Closed Case	Number of Complaints	Handling	Closed Case	Number of Complaints	Handling	Closed Case	Number of Complaints	Handling	Closed Case
Corruption/Bribes, Discrimination/Harassment, Insider Trading/Fair Trade Violations	0			0			0			0			0			0		
Avoidance of Conflict of Interest	0			0			2	0	2	0			0			0		
Personal Data Protection (leak of private customer data)	0			0			4	0	4	0			0			0		
Money Laundering	0			0			0			1	0	1	0			0		
Others (including customer complaints, employee behavior management, external impersonation cases unrelated to the Company's operations)	7	0	7	29	1	28	35	0	35	15	0	15	12	0	12	4	0	4
Total	7	0	7	29	1	28	41	0	41	16	0	16	12	0	12	4	0	4

2.4 Risk Management

2.4.1 Risk Management Framework and Culture

Risk Management Framework and Systems

Under its integrated corporate risk management framework, Fubon Financial Holdings has built a comprehensive risk management organization and system that takes into consideration the risks faced in its operations. "Risk Management Policy" is in place to manage a variety of risks including credit risk, country risk, market risk, operational risk, insurance risk, asset/liability risk and liquidity risk, reputational risk, emerging risk, and climate change risk. The Company also closely monitors global and industrial changes to effectively manage and reduce the impact of risks in a timely manner. A robust risk management organizational structure has been forged that includes the board of directors, Audit Committee, Risk Management Committee, Personal Information Protection Committee, Chief Risk Officer and Risk Management Division. The Chief Risk Officer is responsible for managing all risk management affairs and supervising the Risk Management Division's independent implementation of risk management.



Enterprise Risk Management (ERM) Model and Three Lines of Defense

The Company has put in place a comprehensive risk management system encompassing risk identification, measurement, response, monitoring, and reporting that is founded on an enterprise risk management framework. Related risk indicators, risk monitoring points, an early-warning mechanism, and major risk event notification standards, along with risk controls based on risk attributes have been developed to support the system. The Company has adopted a dual qualitative and quantitative approach to regularly evaluate risk, and it actively monitors and manages various types of significant risk. Risk management reports are presented to the Risk Management Committee, Audit Committee, and board of directors on a quarterly basis. Under this enterprise risk management framework, there are three lines of defense to manage risk and shape a risk culture. In the first line of defense, all business, operations, and management units are responsible for identifying and managing risk, making sure they are complying with risk management policies, and following risk management procedures when performing tasks related to their functions and business responsibilities. In the second line of defense, an independent risk management unit (the Risk Management Division, supervised by the Chief Risk Officer) is responsible for establishing risk management rules and controlling and reporting risks. In the third line of defense, an independent audit unit (the Auditor Division) is responsible for auditing how effectively risk management rules and mechanisms are being complied with every six months. A regulatory authority also conducts an independent review at least once every two years. In past years, internal and external reviews have been conducted based on the procedures described above, and no major flaws have been detected, indicating that the risk management mechanism has been functioning effectively.

Risk Management Method and Risk Tolerance for Different Types of Risk

Type of Risk	Risk Management Method and Risk Tolerance
 Credit Risk	- The scope of credit risk management covers asset quality monitoring, credit risk management, issuer credit risk management, counterparty credit risk management, industry credit risk concentration controls, same person/same affiliate credit risk concentration controls, and country risk management. - The Company sets credit risk and country risk indicators and management amount limits based on risk tolerance and carefully monitors and manages those risks. - To effectively manage and monitor credit risk concentration, the Company sets amount limits or other control mechanisms for the same person, same affiliate or same industry based on risk tolerance. Credit risk concentration limits are established based on credit ratings; if an entity subject to controls is in two or more credit rating tiers at the same time, a more conservative approach shall be adopted and the tier with the lower credit rating shall be used to set its credit limit. The system for setting limits follows similar conservative principles. Groups deemed to be high risk, which have poor ratings and high volatility, should be given relatively low credit limits but relatively high levels of controls on those limits. - Appropriate credit risk management measures are taken based on the potential effect on asset portfolios of the nature of different businesses, the complexity of those businesses, and changes in economic cycles, and overall asset quality is monitored.
 Country Risk	- Country risk refers to a specific foreign country where there is political or social turmoil or that has been impacted by a major economic crisis or natural disaster, which leads to a downgrading of the country's sovereign rating or increases the possibility of default, heightening the risk of potential losses by the country's creditors or investors. - The Company sets principles for managing the classification of country risk based on risk tolerance and the risk status of each country. The classification is divided into six tiers, with overall country risk limits and risk limits for each tier and individual countries established for the Company and its subsidiaries. Exposure to country risk is monitored on a quarterly basis and reported to the Company's Risk Management Committee. For specific countries with increased risk caused by major events, control measures are taken after the situation is assessed and reported.

(Continue)

Type of Risk	Risk Management Method and Risk Tolerance
 Market Risk	- Market risk management coverage includes the risk measurement and management of non-hedging derivatives measured at fair value and securities measured at fair value, evaluation of exotic derivatives, market risk VaR measurements, early warning mechanisms for financial market abnormalities, market tail risk management, emergency notification of major financial market shock events, and market liquidity risk VaR and stress test management mechanisms. - Market risk management systems used to effectively control interest rate and exchange rate risks, equity risk, commodity price risk and market liquidity risk. - Market risk limits set based on risk tolerance; the limits include VaR limits, position limits, sensitivity limits, stop loss limits, and stress test loss warning points; appropriate monitoring and management of risk done through these robust market risk management mechanisms.
 Operational Risk	- Using effective operational risk management methods and control mechanisms, the Company sets key risk indicators, control self-assessment criteria, and notification threshold standards for operational risk events based on risk tolerance and through monitoring, self-assessments, and internal reporting identifies, assesses, measures, responds to, monitors, reports and discloses operational risks existing in products, services, and operating processes and systems. - Quantitative inspections of existing or potential operational risks are done with the help of operational risk events notifications, monthly control self-assessments, and quarterly monitoring of key risk indicators. Those inspections inform the adoption of improvement measures, such as strengthening control procedures and providing employees with the appropriate training.
 Insurance Risk	There are different risk factors for insurance risk, including but not limited to product design risk, product pricing risk, underwriting risk, claims risk, catastrophe risk, reserving risk and reinsurance risk. To enhance the subsidiary insurance companies' risk control mechanism, the Company establishes insurance risk control indicators or risk limits based on the risk tolerance of each insurance subsidiary to monitor and manage risk, such as special retention limits for standalone risk, or thresholds for the accuracy of professional risk assessments during the underwriting process. The risk tolerances, risk control indicators and limits of each insurance subsidiary are reviewed and adjusted as needed on a regular basis, ensuring their legitimacy and effectiveness.
 Asset/Liability Risk and Liquidity Risk	- The Company relies on an effective asset/liability risk management mechanism to set asset/liability risk indicators and limits based on risk tolerance, manage the risks associated with the Company's assets and liabilities, and regularly monitor key indicators such as the capital adequacy ratio, double leverage ratio, and debt-to-net worth ratio. The status of various asset/liability risk indicators is also reported to the Risk Management Committee on a regular basis. These activities are all designed to maintain stable operations over the long term and maximize shareholder equity. - A series of measures, such as setting liquidity risk monitoring indicators based on risk tolerance, strengthening liquidity risk measurement and controls, regularly monitoring solvency indicators and liquidity ratio indicators, and reporting the status of various liquidity risk indicators to the Risk Management Committee on a regular basis, are taken to achieve the strategic goal of liquidity risk management stability.
 Reputational Risk	The Company and its subsidiaries identify and assess potential reputational risk events that could occur as part of their daily business activities or operations and could affect the company's operations, financial soundness and reputation. For reputational risk events that have definitely occurred, are suspected of having occurred, or could occur, reputational risk response measures are devised based on the company's risk tolerance, and potential reputational risks are proactively monitored and followed-up on regularly.
 Emerging Risk	The Company has incorporated emerging risks into its overall risk framework and established procedures to identify emerging risks. Global risks are monitored at all times, and procedures are adjusted as necessary. Please see Section 2.4.3 Emerging and Climate Risk Management.
 Climate Change Risk	Climate change risk can be divided into transition risk and physical risk. Transition risk involves the risks that could result from the changes created by policy and legal, laws and regulations, technologies, and the market during the global low-carbon transition. Physical risk describes the physical impact of climate change. The management of climate change risk has been incorporated into the Company's risk management framework and mechanisms and connected to traditional risks via transmission pathways, and the risk tolerances for traditional risks are used as a basis for controlling climate-related risks.

Results of Major Risk Issue Assessment and Risk Mitigation Measures

To strengthen the assessment of major financial market risk issues, the Company has integrated risk quantification models and macroeconomic analysis, and bolster its forward-looking assessments and management capabilities to deal with extreme risk events. Based on discussions with experts, the Risk Management Division, Economic Research Division, and Performance Management Department have collaborated on a semi-annual project to identify major financial market risk issues and assess those risks. After gathering major financial market risk issues, experts discuss and analyze their potential impact on the Company's main financial asset position (measured in terms of declines in shareholder equity), and potential measures to mitigate those risks are studied.

In the first half of 2024, the two major risk issues identified in financial markets were "Greater financial market volatility due to speculation over central bank policies" and "Bigger-than-expected moderation in global economic growth due to weakness in end-user demand." The Company will initiated risk mitigation measures to address these risks and continues to monitor the impact of changes in financial markets while optimizing its overall risk monitoring and management capabilities.

2024 H1 Major Risk Issues	Level of Impact	Risk Assessment Result	Risk Mitigation Actions
Greater Financial Market Volatility Due to speculation Over Central Bank Policies 2024 could see a divergence in the monetary policy of different central banks. Uncertain prospects for growth and inflation have limited policy visibility, and investor expectations and views of central bank policies have affected risk sentiment in the market while driving carry trades and exacerbating financial market volatility. If that volatility triggers liquidity issues, another Lehman Brothers-type collapse of an American or European bank cannot be ruled out. At the same time, the BOJ has initiated a process of monetary-policy normalization, which is expected to push the yen higher while also affecting international capital flows and the stability of financial markets. The potential impact could be a fall in global stock markets, rising yields in the bond market, widening credit spreads, gains by the U.S. dollar and Japanese yen and falls by the Euro, Chinese yuan and New Taiwan dollar, and increasing pressure on emerging currencies to depreciate.	High	High Risk	The Company's internal limits on its "double leverage ratio" and "debt-to-net worth ratio" serve as thresholds of monitoring indicators used to gauge the potential impact of risk factors on the Company's main financial asset positions. When the impact estimated through the two indicators above exceeds the thresholds, the potential risk should be assessed and risk countermeasures developed at the same time.
Bigger-than-expected Moderation in Global Economic Growth Due to Weakness in End-user Demand The policies of most central banks are data-dependent, limiting the flexibility and speed with which monetary policy can be adjusted. If interest rate policies remain tight for too long, that could further weaken end-user demand, leading to a slowdown in the growth of economies that mainly produce services and a slump in manufacturing economies, with some countries falling into recession. That would ultimately result in the global economy slowing down more quickly than expected. The potential impact could be a correction in global stock markets, the return of upward-sloping curves for major economies' Treasury yields, widening credit spreads, a sharp rise in the U.S. Dollar Index, pressure on non-U.S. dollar currencies, and falls in the value of the New Taiwan dollar and other emerging Asian currencies.	High	High Risk	The Company continues to closely follow trends in the monetary policies of major economies, and relies on an around-the-clock monitoring mechanism to stay on top of financial market. Stress tests are also conducted regularly to determine how changes in stock and bond markets could potentially affect Fubon's profit and loss.

Legal Compliance

Regulatory compliance is at the foundation of financial operations. Fubon makes sure that it stays up to date on policies, laws, and regulations issued by national and foreign regulatory agencies, and responds to the requests of regula- tory authorities. It also continues to carry out action plans to strengthen compliance awareness among all of its employees.

Compliance Action Plans and Actions

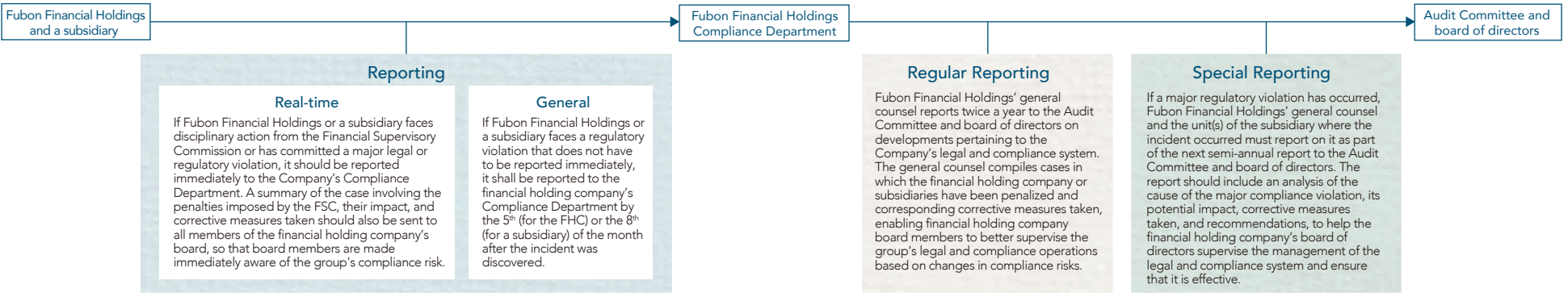
Compliance Action Plans		2023 Actions
Regtech Regulatory Compliance Information System and Platform		The Regtech compliance platform's system for sending out notifications on changes in laws in real time automatically sends notifications to departments and subsidiaries and enables people to search for information on the changes. In 2023, the system's notification function for disciplinary cases and legal revisions was strengthened.
Issue a Legal Compliance E-newsletter		An e-newsletter on compliance issues is issued every other month. It was issued six times in 2023.
Education, Training, and Publicity Efforts	Lectures, Classes, Publicity	- Hired specialized instructors from outside organizations to provide compliance training classes to employees of the Company and its subsidiaries; nine classes were held, attended by 1,534 people. - Classes covering personal information protection and risk awareness are organized to strengthen employees' understanding of risk. In 2023, 145 employees of the Company completed training on "Identifying and collecting personal information and analyzing its flow" and "Personal information impact analysis and self-assessment." To strengthen risk awareness related to the management of interested party transactions, 1,837 employees of the Company and subsidiaries completed an online training program covering the "Management of interested party transactions in 2023." These classes helped deepen Fubon's risk management culture.
	Compliance and Anti-Money Laundering Week	Fubon's Compliance Department again invited the Anti-Money Laundering Department to organize "Compliance and Anti-Money Laundering Week" activities featuring daily stories and animations to give Fubon employees a better understanding of compliance issues, and a team competition was held to see how well they grasped the concepts. Teams were asked to read the daily compliance stories and then answer ques- tions online, and those who had the highest number of correct answers and highest participation rates won the right to draw for prizes. The average participation rate was 96%.
Compliance Self-Assessments		To strengthen its compliance system and effectively identify compliance risks, the Company completed its adoption of compliance self-assessments based on compliance risks. Each department within the Company now conducts compliance self-assessments based on the risk levels of their respective areas of assessment.

Fubon has developed a monitoring indicator scoring system for country risk and related control mechanisms based on assessments of existing country risk indicators to effectively keep abreast of and react to geopolitical risks in specific regions. Changes in country risks are monitored on a monthly basis to reduce the potential impact of those risks on the Company and its subsidiaries. At the same time, to deal effectively with volatility in financial markets, the Company continues to strengthen its mechanism for measuring the potential impact of major financial events and bolster its financial market early-warning mechanism and forward-looking risk management capabilities.

Risk management indicators are incorporated into the performance evaluations of employees and managers to reinforce the implementation of risk management systems and internal controls. Individual employee evaluations include "internal audit and control indicators" that look at whether an employee has violated internal audit or control, compliance, or operational risk rules, as well as the results of an annual compliance evaluation and an annual special audit. These steps ensure that the risk management system will be effective.

Management of Legal/Regulatory Violations and Penalties

Fubon Financial Holdings has established a reporting and management mechanism for handling violations of laws and regulations to ensure that it has a clear picture of the compliance risks that exist in the business activities of the fi- nancial holding company and its subsidiaries. The violations are managed differently depending on their severity, as described below:



Note: 1. Major regulatory violations include: 1) Major penalties announced by Financial Supervisory Commission bureaus on their websites; 2) an event that a regulatory authority specifies is a major violation of the law and requires that it be reported in writing to the board of directors; 3) a fine of NT\$1 million or more imposed by a domestic regulatory authority or taxation authority other than the Financial Supervisory Commission; 4) the dismissal or suspension of duties of a director, supervisor, or executive at the vice president-level or higher; 5) a fine of the equivalent of NT\$3 million or more imposed by an overseas regulatory authority or any form of negotiation, settlement, or compensation arranged with a regulatory authority because of a legal violation that has a financial impact of the equivalent of NT\$3 million or more; and 6) a deficiency similar to a previous one penalized by a regulatory authority that again violates the same provision under the law and leads to another penalty imposed by the same regulatory authority within one year after the previous penalty was imposed.

2. The term "regulatory authorities" refers to entities entrusted with exercising public power, including the central regulatory authority in charge of the applicable sector, special municipality and city and county governments, peripheral financial units (such as the Taiwan Stock Exchange Corporation, the Taiwan Futures Exchange and the Taipei Exchange), and financial self-regulating organizations (such as the Bankers Association, Life Insurance Association, Non-life Insurance Association, and Taiwan Securities Association).

↑ Fubon Financial Holdings and Subsidiaries Major Regulatory Violations in 2023

Company	Fubon Asset Management
Violation(s)	- A fund manager was found to have traded securities against the news gained from performing duties, and used a proxy account to trade the same shares as the fund under management without reporting such transactions to the subsidiary. - Use of communication equipment by investment-related personnel and fund investment practices did not comply with policy.
Fine	NT\$ 1.8 million
Other Penalties	Let go two fund managers from their jobs
Improvement Measures	The following improvements have been made in response to the violations: - The Company has since installed high-resolution cameras at office locations of the Investment Division, tightened premise access control, introduced smart equipment to hold custody of smartphones, and adopted the use of video conference recording software to enhance control over fund managers' behaviors. In addition to promoting compliance awareness among fund managers on a monthly basis, the Company also requires line managers to perform random checks for misconduct as part of the self-audit exercise, and to check fund managers' smartphone ownership on a quarterly basis. - Improvements to internal control systems have been made and are being implemented.

↑ Statistics on Cases in which Regulatory Authorities Fined Fubon Financial Holdings and Subsidiaries for Regulatory Violations

(Equivalent value to NT\$, rounded off to the nearest ten thousand)

Company	2022		2023	
	No. of Cases with Fines	Total Amount of Fines (NT\$ ten thousand)	No. of Cases with Fines	Total Amount of Fines (NT\$ ten thousand)
Fubon Financial Holdings	1	15	0	0
Domestic Subsidiaries	24	1,045	13	452
Overseas Subsidiaries	4	1,436	3	216
Total	29	2,496	16	668

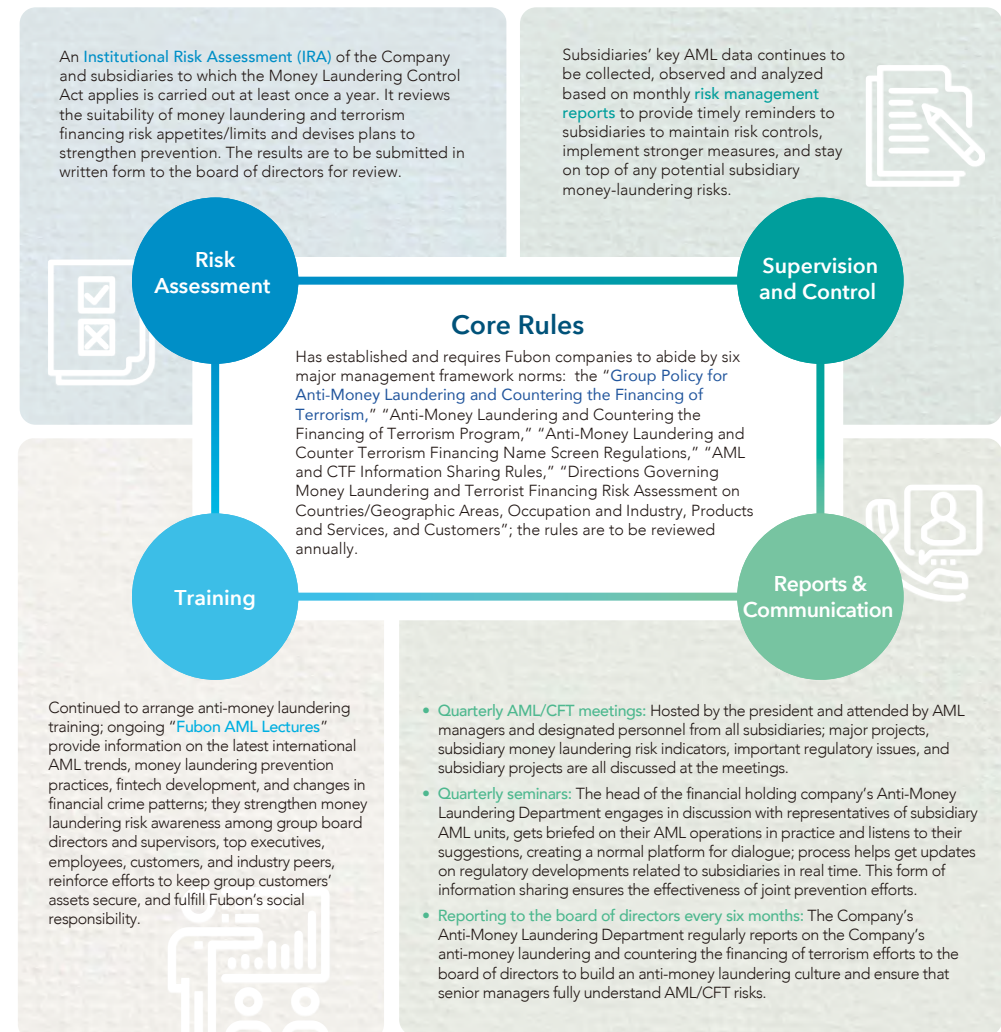
Note: 1. Chart covers all Fubon Financial Holdings subsidiaries.

2. None of the cases in 2022 and 2023 involved anti-competitive practices or corruption.

Anti-Money Laundering

Fubon Financial Holdings has set forth a specific management framework to strengthen its anti-money laundering/countering the financing of terrorism mechanism. It lowers the risks of the Company's products and services being used in money laundering and terrorism financing through systematic management and awareness-building among Fubon employees on those risks, embodying Fubon's values and social responsibility.

↑ Anti-Money Laundering Management Framework



2023 Action Plans and Significant Results

Within the above-mentioned money laundering prevention and management framework, Fubon Financial Holdings has taken advantage of new technologies and the strengthening of financial and supervisory technology applications in other countries to initiate technology projects that help subsidiaries optimize their money laundering prevention efforts. Action plans in this area and their results are described below.

Goals	Significant Results
Maximize Information Sharing, Build a Strong Group Defense	- Developed and expanded the customer cross-check platform: The platform was launched on Dec. 30, 2021, to give subsidiaries more incentive to use a cross-check mechanism and share information to strengthen the monitoring of transactions and the effectiveness of regular customer reviews. In January 2023, the system and related guidelines were optimized based on subsidiary requirements. The Company's Anti-Money Laundering Department then held an online promotional campaign in August 2023 to expand the platform's exposure by explaining how to best use it and highlighting its upgraded features. People used the platform 1,613 times in 2023, up 691% from the previous year. - Cross-check transactions and accounts mechanism: Established standards and operating procedures for cross-checks between subsidiaries of information on the transactions and accounts of specific customers.
Optimize Operating Procedures, Introduce Fintech	- The Company's Anti-Money Laundering Department and a startup tech company developed an "Automatic Negative News Search Tool" that uses artificial intelligence to analyze and interpret news stories in data bases. The tool reduces repetitive manual tasks and lowers the risk of misjudgments. To protect the results of the Company's R&D efforts, the Company signed a memorandum of understanding (MOU) with a startup tech company covering its rights and obligations, such as those related to prior use and authorization, and submitted a patent application to the Intellectual Property Office in March 2023. It was still under review as of the end of 2023. - The Company issued a "Digital Financial Security Blueprint" in 2022. In response to that blueprint, Fubon Life's dedicated anti-money laundering unit introduced robotic process automation (RPA) technology to reduce the manpower devoted to compiling data and mitigating operational risk. Taipei Fubon Bank then was the first in the local banking sector in 2022 to apply an AI system to daily anti-fraud monitoring (the Eagle Eye anti-fraud model). For more on the results of this system, please see Chapter 4, Section 4.1 on Innovative Technologies. Fubon also partnered with an overseas tech startup to develop an AI transaction monitoring system (eAML Project – the Falcon System). The system can block illegal transfers of funds in real time through its precise detection of suspicious transactions, and it has self-learning capabilities, automatically building its own machine learning model based on the latest risk management policies to continuously improve its precision in detecting abnormalities. In the system's initial stage of operation in 2024, it is expected to reduce false alarms by 45%.
Create a Common Good, Continue to Nurture Talent	- The Company continues to create high-quality educational and training resources to support its commitment to digital technology applications and secure financial networks and its desire to forge a common social good. Those resources include a variety of anti-money laundering classes. In 2023, seven online "Fubon AML Lectures" were held covering such topics as international trends, financial technology, anti-money laundering practices and financial crimes. The lectures drew 9,083 participants, up 78.94% from a year earlier. - To strengthen the international horizons of Fubon employees and elevate their professional standard, the Company began in June 2023 to assist employees in obtaining Certified Anti-Money Laundering Specialist status. - In 2023, the Company organized another Forum on Financial Security and Digital Technology Trends, and Rick McDonell, the executive director of the Association of Certified Anti-Money Laundering Specialists (ACAMS), was the keynote speaker. Also in attendance were experts from the public and private sector, including officials from the Ministry of Digital Affairs, the Anti-Fraud Office, and the Ministry of Justice Investigation Bureau, along with representatives of Asia-Pacific companies with advanced technologies (Tookitaki and Hewlett-Packard Enterprise). The speakers discussed financial crime trends, international regulations, and their experiences with digital technology applications in the hope of shaping a common regulatory environment. A total of 916 people attended the event.

2024 Goals

2024 could shape up to be a year of geopolitical volatility, and it will also welcome a fresh wave of digital technologies and new regulatory environments. Given that group subsidiaries will be deepening their presences both at home and abroad, Fubon Financial Holdings will focus primarily on ensuring that its subsidiaries (and sub-subsidiaries) implement group policies and systems, strengthening the sharing of group resources, and consolidating the Company's brand leadership. Its main goals for the year are as follows:

Goals	Actions
Review Group Policies in Real Time, Achieve Consistent Oversight and Management	- Beyond revising internal operating guidelines in response to changes in regulations, the Company will use opportunities to interact with subsidiaries to deepen its understanding of subsidiaries' management and operational requirements, which will inform changes in its internal guidelines. The goal ultimately is for the group as a whole to follow a consistent, risk-centric oversight and management direction. - In 2024, the Company selected three subsidiaries for on-site inspections based on daily oversight observations and internal and external audits. Through written reviews and in-person interviews, it hopes to ensure that subsidiaries will comply with parent company and regulatory authority requirements.
Guard Against the Risk of Sanctions Arising from Regional Conflicts	To cope with international sanctions generated by regional conflict and international geopolitical volatility, the Company will continue to strengthen its sources of outsourcing lists and cross-check them against name verification systems to ensure the risk of sanctions is effectively mitigated. Specialized anti-money laundering knowledge and skills will also be bolstered through ongoing training to limit any impact on business caused by international sanctions.
Optimize Management System, Strengthen Oversight Efficiency	Based on the operating needs of the Anti-Money Laundering Department and subsidiary recommendations, the Company continued to optimize its key AML risk indicator management platform, its existing customer cross-check platform, and the negative news OpenData system. It stays on top of each subsidiary's risk indicators and sets precise oversight strategies and directions through the real-time sharing of accurate information.
Continue to Provide High-quality Training and International Certification Guidance	Aside from continuing to expand employees' international horizons and provide training on financial crimes and anti-money laundering practices in 2024, the Company will introduce fintech-themed Fubon Money Laundering Prevention Lectures and arrange differentiated courses catering to employees in different lines of work. Also in 2024, the Company will organize a CGSS (certified global sanctions specialist) event and continue to support anti-money laundering training and certifications.
Build a Two-way Communication Platform, Strengthen the Group's Defense against Risk	Regular quarterly meetings are held and the board of directors is briefed every six months on anti-money laundering activities. The Company also relies on the subsidiary anti-money laundering exchange platform, which includes quarterly meetings of anti-money laundering managers and regular AML/CFT meetings, to focus on the work status, risk indicators, and monitoring of subsidiaries. The platform also encourages the Company and its subsidiaries to expand exchanges, maximize the effectiveness of joint prevention efforts, and reduce resistance to taking action across different businesses.
Increase International Visibility, Develop Regular Academic Exchanges	The Company will continue in 2024 to reinforce partnerships with domestic research institutions and leading domestic and overseas fintech vendors to strengthen its anti-money laundering expertise and influence and put into practice its corporate values and social responsibility.

Internal Audits

Fubon Financial Holdings has developed a chief auditor system based on the "Implementation Rules of Internal Audit and Internal Control Systems of Financial Holding Companies and Banking Industries." A key component of the system is the Auditor Division set up under the board of directors, which helps the board and top management check and assess the effectiveness of internal control systems. It also offers suggestions for improvements to reasonably ensure that such systems continue to function well.

The Auditor Division independently audits Fubon Financial Holdings and its subsidiaries based on annual audit plans, including in the area of risk management, and the audit report is approved by the chairman of the board and submitted to the Audit Committee and independent directors for review. The division also oversees the self-inspection of each unit and periodically conducts follow-up reviews of internal and external audit findings, and it regularly reports on its activities to the Audit Committee and the board of directors.

In 2023, many units made the necessary improvements to deficiencies uncovered by audits within designated deadlines. Issues not addressed by the deadline are monitored until the required improvements are completed. This process has benefited the general operations, organizational operations, and system development of Fubon Financial Holdings and its subsidiaries.

2.4.2 ESG Risk Management

Sustainable Finance Policy

Fubon Financial Holdings has established a "Fubon Financial Holding Co., Ltd. and Subsidiaries Sustainable Finance Policy" as the highest guiding principle to follow in promoting sustainable finance. It stipulates that the Company should incorporate environmental, social, and corporate governance factors into business development decisions, and devise and implement business strategies of investment, credit, and insurance. The policy supports encouraging companies that meet United Nations sustainable development goals, carefully assessing business relationships with companies involved in controversial situations, and setting standards for investing in/pulling investment out of high carbon industries. In 2021, Fubon established credit standards for putting funds in and pulling funds out (except if the purpose of the financing is clearly for a low-carbon transition, green energy development or emissions reduction) of five high-carbon industries – power generation, coal mining, cement, petrochemicals, and steel. Fubon has also committed to cease new investments after 2040 in companies involved in thermal coal mining/transportation, coal-fired electricity generation, and unconventional oil and gas sectors that have not presented a carbon-reduction transition plan that is consistent with Paris Agreement. In terms of insurance, Fubon Insurance was the first domestic non-life insurer to back a decarbonization underwriting strategy, committing to a goal of cease underwriting by 2050 coal mining/related infrastructure, coal-fired power plants, and unconventional oil and gas businesses that have not taken tangible carbon reduction action or developed a low-carbon transition plan.

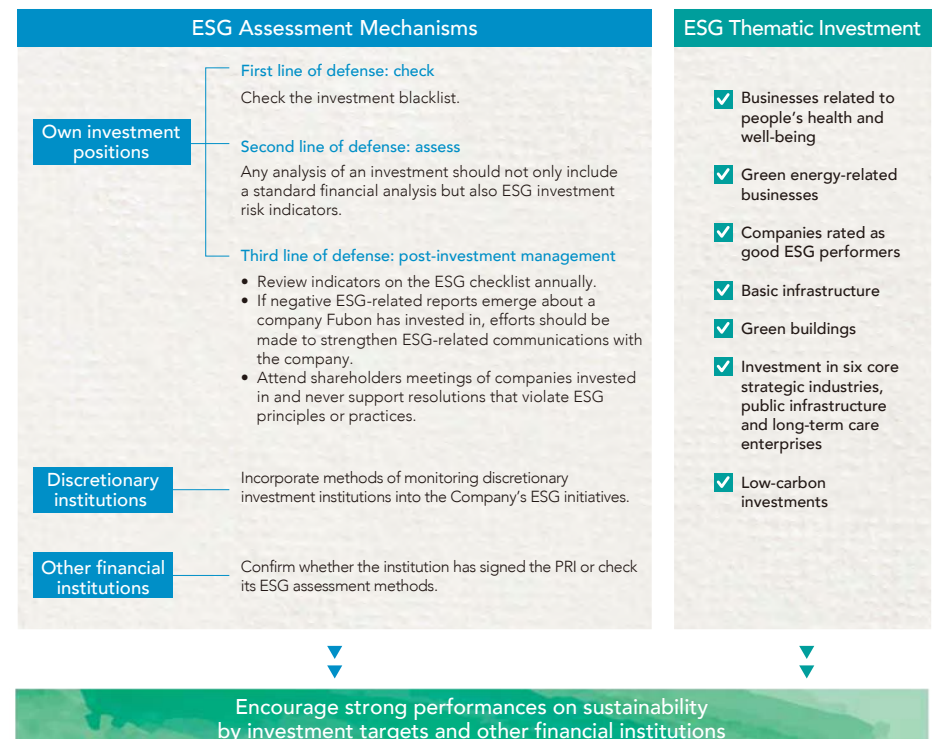
Principles of Responsible Investment (PRI)

Each subsidiary complies with the "Fubon Financial Holding Co., Ltd. and Subsidiaries Sustainable Finance Policy" and sets or revises related internal management policies and rules to guide its handling of held and managed assets. In line with these policies and rules, ESG actions, such as identifying, evaluating and measuring sustainability risks based on ESG checklists and indicators, are applied before and after investments are made, and a list of industries with relatively high ESG risks has been developed to strengthen responsible investment mechanisms and maintain stable investment yields over the long term. Qualitative and quantitative targets have also been set in line with one of four new ESG strategic goals set by Fubon – decarbonization. The qualitative goals have involved setting standards for putting funds in and pulling funds out of high-carbon industries, and a decarbonization strategy for investment has been established. On the quantitative side, a target for Fubon's total green finance investment by 2030 was set. Green finance investment includes investments in low-carbon companies or projects, green bonds and green technologies.

Fubon's investment units abide by the United Nations Principles of Responsible Investment (PRI) and establish management mechanisms based on specific product characteristics to continuously reduce the ESG risks of the assets they hold and to third-party discretionary investment institutions and other financial institutions with which they have business relations. The implementation of these mechanisms mainly focuses on evaluating ESG indicators and screening blacklists to narrow down potential targets before an investment is made and regularly reviewing investments and engaging in shareholder activism after they are made. Environmental, social, and governance issues are considered when funds are used, and the Company has created an ESG responsible investment management assessment mechanism based on three lines of defense while also developing ESG thematic investments. The mechanism is carried out through the setting of policies and implementation of ESG action plans. Please see Section 7.3.1 [Principles of Responsible Investment](#) in the Appendix.

Fubon has also adopted the global science-based targets (SBT) framework to strengthen its adherence to responsible investment principles and encourage companies it has invested in to embrace sustainable practices. In 2021, the Company took inventories of and set goals for Scope 3 emissions generated by its investment positions for the first time, and then in 2022 submitted its science-based targets for review to the Science Based Targets Initiative (SBT). They were validated by the SBT in September 2022. These initiatives have committed Fubon to following a low-carbon path and gradually achieving carbon reduction goals while using its influence as a financial services provider to channel capital to low-carbon interests. See Section 3.1 [Net-zero Targets](#).

Responsible Investment Strategies and Initiatives



Focus of ESG Investment Action Plans

Focus Plans		Description	Coverage (% of AuM)
Pre-investment Checks	Setting ESG investment risk indicators	Prior to any investment, an assessment is conducted based on such indicators as whether the company's environmental, social and corporate governance practices appear in a sustainability report, and the results should be disclosed in the investment analysis report.	100% coverage of newly added investment positions
	Establishing a blacklist/exclusion list	- A cross-check with the list of high-risk countries and companies is done before making an investment; no investment should be made in a potential target on the list unless special management measures are taken. - Countries that violate human rights or are negligent in anti-money laundering/combating the financing of terrorism efforts are put on the ESG blacklist/exclusion list. - Prohibited from investing in companies listed in the tobacco or controversial weapons sectors in the MSCI ESG database or in companies de-listed from the United Nations Global Compact list.	
	Building an ESG asset pool of domestic equities	All stocks in the asset pool must comply with ESG rules; no investments may be made in targets not included in this pool of investment assets.	
	Setting monitoring indicators for industries with high ESG risks	Added monitoring indicators for industries with high ESG risks and included them as factors in PRI evaluations.	
	Setting standards on whether to invest in/pull out of high emissions industries	- Starting in 2021, cease new investment in power plants that generate more than 50% of their power from coal (except if they have presented a carbon-reduction transition plan that is consistent with Paris Agreement). - The goal is by 2040 to cease new investments in companies involved in thermal coal mining/transportation, coal-fired electricity generation, and unconventional oil and gas sectors that have not presented a carbon-reduction transition plan that is consistent with Paris Agreement.	
Post-investment Checks	ESG checklist for bond	Company investments in foreign bonds	100% coverage of existing investment positions
		Company investments in overseas bond funds and ETFs	
		Company investments in domestic bonds	
		Company investments in domestic bond funds and ETFs	
Monitoring of Foreign Discretionary Investment Institutions	Verification of foreign discretionary investment institutions' ESG practices	Checks done to verify that discretionary investment institutions are signatories of the U.N. Principles for Responsible Investment or requests are made for reports of how their ESG principles are implemented.	100% coverage of newly added positions through discretionary investment institutions
	Blacklist/exclusion list	Domestic discretionary investment institutions must comply with Fubon company blacklist/exclusion lists.	
External ESG Data Assessment	ESG-related information from outside sources or ratings agencies identifies high-risk countries or companies	- Fubon Life's foreign fixed income division completed procedures for managing investments in high-risk countries and companies based on information from outside sources. - Fubon Asset Management refers to external resources in developing ESG risk rating indicators, which are used to assess thematic investing in stocks and bonds. It also set upper limits on high-risk investments to control the ESG risk of its portfolios.	100% coverage of existing and newly added investment positions

Responsible Investment Management and Action Plans	Asset Categories Managed
Specific ESG Assessment Procedures are Incorporated into Rules, Guidelines, or Standard Operating Procedures for Different Asset Classes Based on Each Investment Vehicle's Characteristics and Feasibility Issues.	Listed Equity
	Fixed Income
	Private Equity (Private equity)
	Infrastructure (Basic infrastructure funds)
Green Building Design Incorporated into Property Development Contracts, and Companies with Outstanding Social Responsibility Records Prioritized when Outsourcing a Project or Appointing an Engineering Consultant.	Derivatives & Alternatives (Covers alternative investments such as hedge funds)
	Property (Investment property)

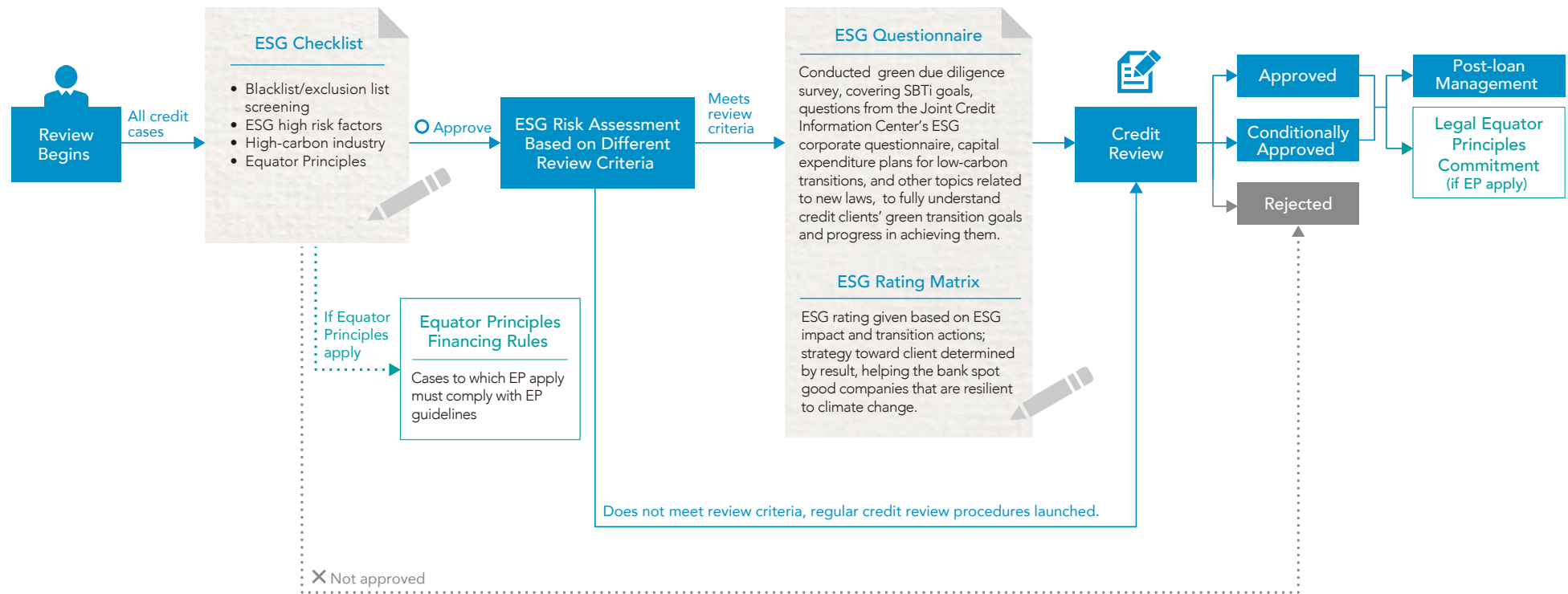
Responsible Lending Management Mechanism

Taipei Fubon Bank has based its credit business on the five fundamental principles of security, liquidity, the common good, profitability and growth and adopted the following mechanisms to assess credit risk. Under Taipei Fubon Bank's management framework for sustainability risk, sustainability risk assessments involving credit have been incorporated into KYC (know your customer) and credit check processes based on the "Fubon Financial Holding Co., Ltd. and Subsidiaries Sustainable Finance Policy." That means that sustainability risk is identified, assessed and weighed in all credit cases (including those that must meet Equator Principles guidelines and other project financing cases) based on sustainability risk assessment procedures and Equator Principles compliance within the existing credit risk management framework.

In 2023, Taipei Fubon Bank established "Taipei Fubon Commercial Bank Co., Ltd. Sustainable Credit Management Rules" and revised the "Taipei Fubon Commercial Bank Co., Ltd. Sustainable Credit and Investment Guidelines" to consolidate its sustainable credit norms and optimize the checklists it uses to review credit applications. Under these rules and guidelines, the bank's sustainability risk assessments for institutional credit clients should encompass ESG risk assessments and management, and climate change factors should be incorporated into the bank's daily operations, strategic planning, and decision-making processes to better analyze the potential impact of ESG risks on the bank and its subsidiaries. The bank should also review risk response measures and establish risk management responses.

In terms of ongoing credit review processes, priority is given to sustainability risk assessments and checks of "ESG Checklists," including blacklist/exclusion list screening, ESG high-risk factors (including whether a company has a significant adverse impact on environmental and social sustainability), and high-carbon activities that should lead to rejections of credit requests (not applicable if the purpose of the financing is for a low-carbon transition, green energy development or carbon reduction). In 2023, a total of 7,794 checks were conducted (100% of all credit checks). A credit risk assessment is then conducted that includes an ESG risk assessment based on different screening filters. An ESG questionnaire is used to understand the credit client's green transition goals and progress made. The results of the assessment and questionnaire are then plotted on an "ESG Rating Matrix" that shows the client's ESG impact and transition process, producing a rating that determines future business dealings with the client. The process helps the bank internally screen and identify companies that appear to be resilient to climate change.

Credit positions are also aligned with decarbonization, one of Fubon's four new ESG strategic goals. Aside from setting standards for putting funds in and pulling funds out of high-carbon industries, a goal for total green finance loans has been set for 2030. Such loans include business loans for green energy or alternative energy projects, green buildings, and general green credit.



Equator Principles

Since joining the Equator Principles Association, Taipei Fubon Bank has referred to the Equator Principles and IFC Performance Standards when reviewing applications to which the principles apply to assess the potential environmental and social impact of each case. It has also requested customers to adopt appropriate risk mitigation measures based on Equator Principles guidelines to reduce the adverse environmental and social impact of their operations.

When handling Equator Principles cases, business departments must explain the applicability of the Equator Principles to a particular case in the sustainability risk assessments and checks of "ESG Checklists". Taipei Fubon Bank also requires its business departments to review the Equator Principles and related regulations with clients before they apply for financing, confirm they are willing to follow them, and help clients comply with the Equator Principles before applying and while the financing is in effect. If a client is unable to fully comply, its application for credit should be turned down. There were 10 credit cases in 2023 that were required after undergoing standard checks to meet the Equator Principles. Among them, one had Category A (high risk) environmental and social risk levels, six had a Category B (medium risk) risk level, and three had a Category C (low risk) risk level. For more on the cases, please see [Taipei Fubon Bank's website](#).

Underwriting Management Mechanism

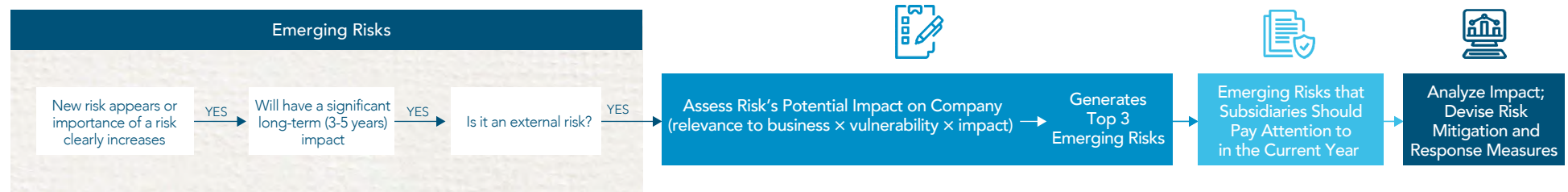
Fubon Financial Holding subsidiary Fubon Insurance has adopted the Principles for Sustainable Insurance (PSI) launched by the United Nations Environment Programme (UNEP) and issued its first PSI Report in 2020 (for the year 2019). In 2021, it began to take action on government policies related to corporate governance and sustainable development, mainly by rolling out innovative solutions and incorporating sustainability principles in its business and products based on the identification, assessment, and monitoring of risks and opportunities associated with ESG issues. Through these efforts, Fubon Insurance has played a leading role in the sector's sustainability. It also prepares an independent Sustainability Report based on sustainable insurance principles and GRI standards. For more details on methodologies, see Section 7.3.2 [Principles for Sustainable Insurance \(PSI\)](#) in the Appendix or the [2023 Fubon Insurance Sustainability Report](#).

2.4.3 Emerging and Climate Risk Management

Emerging Risk Management

Fubon Financial Holdings refers to the World Economic Forum's Global Risks Report during its annual overview of the Company's and subsidiaries' business development and future prospects and assessment of the major long-term emerging risks of concern. It screens the risks based on their relevance to and potential impact on the business, and how vulnerable the business is to them. In 2023, the Company identified the major long-term emerging risks at the financial holding company level as "geopolitical confrontation" in the geopolitical risk category and a "prolonged economic downturn" and "debt crises" in the economic risk categories. Appropriate responses to these risks were devised and they continued to be monitored.

Emerging Risk Identification Process and Sorting



	Emerging Risk 1	Emerging Risk 2	Emerging Risk 3
Risk	Geoeconomic Confrontation	Prolonged Economic Downturn	Debt Crises
Risk Category	Geopolitical Risk	Economic Risk	Economic Risk
Description of the Risk	Global powers restrict the exchange of goods, knowledge, services or technology to gain geopolitical advantage and consolidate their spheres of influence; in the case of China and the United States, the confrontation between the two sides continues to escalate in the areas of trade, sanctions, and investment reviews, and the trend is likely to intensify over the next three to five years.	Soaring prices dampen consumer spending and central banks therefore adopt tight money policies to blunt inflation, both of which are detrimental to economic growth. Also, medium- and long-term factors such as the restructuring of global supply chains, rising trade protectionism, and a wave of green inflation lead to stagflation. Overall economic growth over the next three to five years would remain sluggish, and the economy would be more likely to face the risk of long-term stagnation.	Inflation is on the rise, coupled with countries adopt tight money policies, causing debt burdens to increase and refinancing costs to rise while the chances of an economic downturn become greater. Those factors heighten the potential risk of debt crises over the next three to five years.
Impact	- International capital flights affect exchange rates, insurance policy values, and transactions and dividends of investments to which insurance policies are linked, leading to contract cancellations or an increase in fund transactions that result in higher administrative workloads and costs. - The willingness of companies to borrow or invest and consumer spending is adversely affected, and the process of deglobalization and supply chain restructuring increases companies' operating costs. Borrowers may face the risk of economic confrontation between countries, which could hurt their operations and profitability, and in turn affect the quality of Fubon's credit assets. - Restrictions on trade or technologies could lead to falls in revenue and income among companies Fubon has invested in. The rise in investment uncertainties could lead to investor reluctance in investing in products, adversely affecting company sales and revenue.	- There is volatility in the stock, bond and foreign exchange markets and bearish sentiment in investment markets, reducing the willingness of customers to invest, which would hurt Fubon revenue. - As economic activity contracts, loan growth will slow; at the same time, overdue loans and non-performing loans that have to be written off will increase.	- If a debt crisis erupts, the market would turn cautious, leading to a tightening of liquidity and, in turn, an increase in financing costs. That would increase the burden of companies and individuals in paying back loans and make an economic downturn more likely, resulting in a deterioration in asset quality and rising default risk. - An international debt crisis would spread panic, leading to increased volatility in financial markets (stock, bond, foreign exchange markets). The interest rate spread would widen, leading to investment positions generating losses. Customers would be less willing to trade, and Fubon's fee income would tumble, affecting its revenue.
Mitigation Measures	- Set early warning indicators and risk limits; activate risk management mechanisms such as conducting regular stress tests and country risk conditions checks. Observe whether the impact of risk factors is expanding, and adjust investment positions in a timely manner. - Manage country risk tiers and set check and warning notifications to achieve effective early warning controls of risk; adopt early response measures to lower credit risk and reduce losses on creditor's rights. - Follow closely the trend of Taiwanese companies relocating production capacity to diversify geopolitical risks and deal with the restructuring of supply chains; work with overseas branches to increase the penetration rate of Taiwanese companies; continue to monitor exposure to China, and track changes in the finances of export-oriented corporate clients to safeguard asset quality.	- Set checks and early warning notifications and adopt control procedures based on each customer's tolerance for risk to effectively control the risk at an early stage and lower credit risk and reduce losses on creditor's rights. - Regularly check country and industry limits based on economic conditions, industry developments, and growth forecasts; review risk tolerances in a timely manner and adopt the necessary control measures. - Establish rules for managing notifications of major risk events for different types of risk, quickly assess the vulnerability of different positions, and create related risk mechanisms to lower the potential impact of the risks on Fubon. - Track daily changes in holding position profits and losses, regularly check fund usage and flow and liquidity gap limits as well as total external liabilities, current liabilities and the liquidity ratio. - Conduct stress tests to assess portfolios' vulnerabilities to extreme historical debt crisis scenarios.	

Note: For more details, see the 2023 Annual Report, pgs. 349-350.

Climate Risk Management

To get a clearer picture of risks and opportunities climate change presented to its own operations and financial assets, Fubon Financial Holdings adopted the TCFD risk management framework in 2018, became a TCFD supporter in September 2019, and issued the first TCFD report ever by a domestic financial institution in 2021. The TCFD framework has helped the Company and its subsidiaries develop a climate risk and opportunity matrix and identify corresponding response measures while also taking stock of business in high- and low-carbon industries. These have all been disclosed in Fubon's climate-related financial disclosures (TCFD) and have helped strengthen Fubon's resilience to climate risks and heighten its sensitivity to commercial opportunities. In 2023, Fubon commissioned BSI to conduct a TCFD compliance review of Fubon Financial Holdings' 2022 TCFD Report, and the report received the highest "Level 5+: Excellence" rating.



TCFD Report

Disclosures		Approaches	
Governance	Board of Director Oversight	- The Corporate Governance and Sustainability Committee under the board of directors oversees the implementation of ESG and sustainability practices, and an "ESG Task Force" has been set up under the Committee to carry out action plans. - The board of directors monitors the effectiveness of risk management systems and mechanisms and reviews and approves risk management policies and guidelines. - ESG performance indicators are included in the performance evaluation policy covering the Company's board of directors and functional committees, and the board's self-evaluations also cover such factors as risk assessments of internal controls and engagement in sustainability initiatives.	
	Management Level Operations	- The Responsible Finance and Environmental Sustainability teams under the ESG Task Force are responsible for issues related to climate change. - The Responsible Finance Team plans procedures for assessing subsidiaries' climate-related risks and opportunities and handles the identification and reporting of those risks and opportunities. - The Risk Management Committee is led by a convener (president) appointed by the chairman of the board and also includes a chief secretary (chief risk officer) and members (subsidiaries' most senior risk management officers). It is responsible for overseeing the risk management practices of the entire organization and reviews, coordinates and guides risk management efforts.	
Strategy	Short-, Medium- and Long-term Risks and Opportunities	The sources and magnitude of short-, medium-, and long-term physical and transition risks are regularly identified.	
	Risks and Opportunities Associated with Major Impacts	Qualitative and quantitative methods are used to assess risks and opportunities that could have a major impact on business, strategic and financial planning and their potential impact on the Company's operations and finances, and responses are devised.	
	Scenario Analysis	Transition	Used scenarios (Net Zero 2050, Delayed Transition, Baseline) from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), which was formed by major central banks and supervisory agencies, and other parameters (such as carbon pricing); also conducted an advanced version of impact assessment of Fubon's investment and loan positions using the newest NGFS "Fragmented World" scenario.
		Physical	RCP2.6, RCP4.5, RCP6.0 and RCP8.5 used to conduct temperature and rainfall forecasts; adopted SSP1-2.6, SSP 2-4.5, SSP 3-7.0 and SSP 5-8.5 scenario parameters.
Risk Management	Identification and Assessment Procedures	Scope	Upstream suppliers, Fubon operating locations, downstream customers.
	Management Procedures	Three material dimensions – hazard, exposure, and vulnerability – used to gauge the degree of risk posed by disasters to businesses that could be affected by flooding; inventory of investments in carbon-emitting sectors conducted regularly.	
	Integrated Management	Adopted an ERM risk management framework to guide risk identification, measurement, response, monitoring and reporting.	
Metrics and Targets	Indicators and Performance	- Responsible investment put into practice, green finance supported; see Section 3.2.2 Responsible Finance Performance. - Development of low-carbon products and services; see Section 3.2.2 Responsible Finance Performance. - Greenhouse gas inventory, energy and environmental management, green energy/purchasing/operations; see Section 3.1.1 Greenhouse Gas Reduction and Renewable Energy.	

2.4.4 Information Security Management

At a time when innovative digital financial services are being introduced at breakneck speed, Fubon Financial Holdings continues to enhance its information security management and protection capabilities. It set an information security policy for the financial holding company and subsidiaries that is checked annually, and if a change is made it has to be approved by the board of directors. The Information Security Division was established in April 2019, and Vice President Su Ching-Wei was appointed chief information security officer (CISO). The division is responsible for planning, monitoring, and carrying out information security management initiatives. In terms of information security governance, the division reports to the chairman and president monthly on the implementation of information security tasks by the Company and its subsidiaries. It also reports to the Audit Committee and board of directors annually on the financial holding company's overall information security situation. The independent director on the Audit Committee, Barry Chen, has participated in the promotion of Fubon's information security strategy and contributed his experience and guidance.

Fubon Financial Holdings and its subsidiaries have established dedicated information security departments responsible for planning, monitoring, and managing their information security systems. Regular meetings are held to stay up to date on the overall information security situation and analyze and discuss information security issues to strengthen joint information security efforts. The Company's information security strategy and plan are based on the information security framework proposed by the National Institute of Standards and Technology (NIST). It has established a multi-layer security protection framework with identification, protection, detection, response and recovery features and completed the planning and construction of multiple information security protection mechanisms, contributing to the creation of a digital finance environment. Another priority has been to strengthen the protection

Su Ching-Wei Vice President (CISO)

Mr. Su has over 25 years of experience in the research, planning, building, and implementation of information systems, the investigation and prevention of technology crimes and cybercrimes, computer forensics and digital evidence analysis, cybersecurity and information security, and the development of innovative technology applications.

Barry Chen Independent director

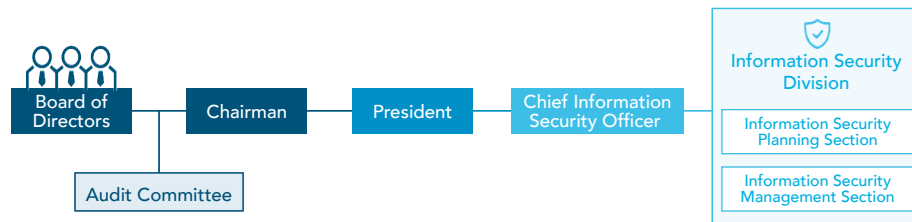
Barry Chen has a master's in computer science from Texas A&M University and completed a corporate leadership and management course at Harvard Business School. He served as vice president of enterprise software provider VMware and its general manager for Greater China and has more than 25 years of experience in the information security field. Mr. Chen is an expert on information security technology for both the enterprise and consumer markets.

capabilities of the network, host and endpoints in each information environment and develop proactive information security measures through anti-virus software, spam email detection and blocking, web filtering and protection, intrusion detection and protection systems, website application firewalls, and a system that monitors the likelihood of information security risks occurring.

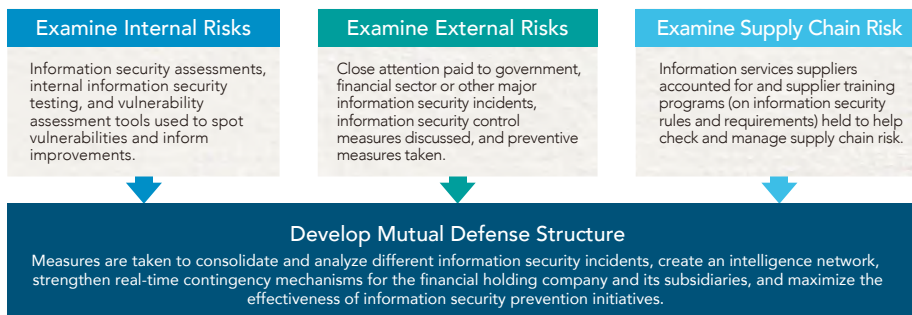
To achieve a robust information security reporting and contingency mechanism, the Company also relies on third-party monitoring to expand protection capabilities, information security monitoring indicators, the continuous management and adjustment of rules, and the tracking of daily logs for important operational system hosts, network equipment, and information security equipment. If a potential information security event occurs, event data, warnings and records recovered from defense-in-depth equipment is matched against available intelligence and analyzed to determine if in fact there was an information security event. It is also converted into valuable intelligence to be shared to help identify the latest domestic and foreign information security trends and examine and optimize the system, all to reduce the chances of a high-risk information security event occurring.

The Company has established "five major Fubon Financial Holdings and subsidiary information security groups." These groups have been established to cope with the rapidly changing nature of information security threats and accelerate the discussion and establishment by Fubon Financial Holdings and its subsidiaries of management control mechanisms to keep the information environment secure. This initiative is based on the Financial Supervisory Commission's "Financial Cyber Security Action Plan 2.0," which encourages financial institutions to carry out "assessments of the effectiveness of information security monitoring and defenses" and "risk management of supply chain/third-party service providers," and install "zero trust networks and improved network connection validation and authorization controls." These groups will mobilize information security manpower and share knowledge and resources, set common information security management standards for the financial holding company and its subsidiaries, and make collaborations more efficient to jointly forge a financial information security protection network that strengthens information security and resilience.

Information Security Governance Organization Chart



Information Security Risk Management Flow Chart



To build a joint defense mechanism for information security, the Company reviews and oversees the adequacy of each subsidiary's plans and approaches related to their information and network systems and information security maintenance, and has devised effective anti-hacking measures to protect customer privacy. It continually reviews system flaws or vulnerabilities by regularly commissioning third-party experts to carry out penetration tests or red team assessments that simulate hacking attacks. At the same time, information security insurance is purchased based on operational needs to protect customer rights. The insurance covers information confidentiality and privacy liability, cybersecurity liability, media liability, emergency responses, and operational disruptions.

Beyond those measures, Fubon Financial Holdings has established a reporting and handling procedure for information security incidents. When an incident occurs, it is immediately categorized, identified, and reported to the contact at the responsible unit. The unit that receives the report of an incident must confirm within a time period the scope of the impact, investigate potential causes, propose improvements, and issue a response. The Company regularly discusses and reviews information security incidents with subsidiaries to adjust and optimize these reporting and handling procedures.

Information Security Incidents	2020	2021	2022	2023
Total number of information security breaches or other cybersecurity incidents	0	3	0	0
Number of security breaches involving customers' privacy, number of customers and employees affected by information leaks	0	0	0	0
Total fines/penalties paid due to information security incidents (NT\$)	0	80,000	0	0

Information Security Action Plans and Results

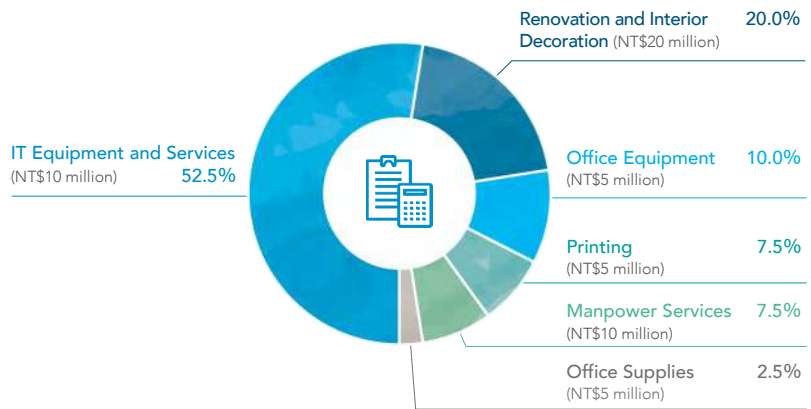
- Red team/blue team exercises, information security operations continuity and recovery drills, and vulnerability tests conducted annually. - In 2023, neither the financial holding company nor any of its subsidiaries experienced major information security incidents, indicating that the strengthening of management measures has proven effective. 24/7 weak spot monitoring of external risks done to monitor and handle weaknesses more efficiently and eliminate information security risks. - Completed an "information security governance maturity assessment" in 2023; through the identification of information security risk issues and the business' own information security maturity, the assessment identified inherent risks and possible improvements in management practices.	Strengthen Risk Management	Strengthen Information Security Awareness
- Reviewed internal operating guidelines to ensure regulatory compliance and alignment with association regulations and international information security trends. - Fubon Financial Holdings and its subsidiaries have been certified under ISO 27001:2002. (Effective date: March 15, 2024; Expiration Date: March 14, 2027) - As part of the process to keep information secure, a third-party verification unit conducts an inspection every six months to maintain the certification's validity.	Align Operations with Laws and Regulations	Consolidation of Defense in Depth Strategy
35,715 people participated in information security training (3 hours for regular employees, 15 hours for information security personnel); coverage was 100%. - Social engineering simulations conducted every six months, with average click rates on phishing emails 1.45%. - Information security policy approved by the board of directors; information security departments report on a regular basis to the board. - Information security policy posted on the Company's enterprise information portal for the reference of all employees across the organization.		12 meetings on information security held in 2023 to fine-tune direction of information security strategies. - Completed the replacement of web application firewalls and the replacement of network detection and response systems - Stayed on top of information security trends through visual dashboards and strengthened safety inspections of non-Windows systems.

2.4.5 Supplier Management

The Company continues to manage suppliers (1,695 in 2023) in its electronic procurement system using a classification approach, classifying them into six service categories. Forty key suppliers were selected based on specific thresholds for each category for the amount of business the Company does with them, the low substitutability of their product or service, and their importance to the Company's operations.

Categories, procurement amount thresholds, and shares of the category are shown in the graph to the right.

Key Supplier Distribution by Service (purchase amount threshold)



Supplier Qualifications, Electronic Procurement System, and ESG Requirements

Fubon has established the "Supplier Sustainable Development Code of Conduct" to set standards on workers' rights, human rights, worker health and safety, environmental protection, the prohibition of unethical behavior, and sustainable procurement with which suppliers must comply. Suppliers in the electronic procurement system are also required to sign the "Supplier Standard of Conduct Pledge" (signed by 100% of suppliers as of the end of 2023). New suppliers are required to fill out an additional "New Supplier Sustainability Risk Self-Assessment Form" to check the supplier's adoption of ESG practices. (The forms mentioned above are posted in the procurement section on Fubon Financial Holdings' website.) The Company's electronic procurement system allows qualified suppliers to view public tender information and directly participate in tenders, and offers online ESG training. Suppliers must complete the training before perform related actions on the system. To control the quality of supplier service and encourage suppliers to engage in sustainable practices, the Company has a supplier evaluation mechanism based on supplier performance records and their implementation of the "Supplier Sustainable Development Code of Conduct". Suppliers with poor performance records or major violations of the Code of Conduct are downgraded or disqualified, while Fubon strengthens partnerships with suppliers with outstanding records or ESG practices.



Procurement Section on Fubon Financial Holdings'

Supplier Sustainability Management

Fubon Financial Holdings has continued to offer ESG education courses, conduct ESG assessments, and hold supplier engagements and an ESG conference on an annual basis to join with suppliers in carrying out sustainability transitions. Efforts made in 2023 are detailed below:

Supplier ESG Education	- Theme: Sustainability management for suppliers - Targets: All suppliers in the electronic procurement system - Content: Supplier sustainability management trends, how to develop an assessment management system
Supplier ESG Assessments	- A ESG self-assessment questionnaire was designed based on international guidelines such as the PAST000, CERES, GRI Standards and ISO 24000. It covered 14 questions on economic, social and environmental topics. In 2023, Fubon invited suppliers in its electronic procurement system who met a certain threshold for business with Fubon to complete the online assessment questionnaire (with a response rate of 98%) and conducted a written review of the results. - The results in 2023 were generally improved from those in 2022. In the future, steps will be taken to provide more guidance and support on issues on which scores were lower than the average or on which transitions began relatively late, such as business continuity, the environment, greenhouse gases, toxic substances, and waste management.
Supplier Engagement	- As part of the annual ESG assessment campaign, Fubon usually arranges some on-site supplier audits to engage more directly with suppliers. The audits allow Fubon to observe suppliers' ESG practices in person and verify the results of their written reviews. - In 2021, Fubon completed the first round of on-site audits of 37 key suppliers. In 2022, after re-evaluating its business dealings with its suppliers, Fubon identified 40 key suppliers and began a second round of on-site audits of their companies. By the end of 2023, on-site audits had been conducted on 20 of the 40 suppliers. - To improve the sustainable management performance of its suppliers, the Company is planning in 2024 to expand its engagement efforts to include non-key suppliers, and it set a supplier engagement target. Based on the 40 suppliers that had completed ESG on-site audits by the end of 2022, the target is to increase that number by 10% (or four new suppliers a year), which means increasing the number by 70% by 2030 (bringing the total to 28 more suppliers having completed on-site audits than the baseline).
Supplier ESG Conference	Held the first in-person Supplier ESG Conference since before the COVID-19 pandemic on Dec. 26, 2023; suppliers with outstanding evaluations were commended during the conference, and feedback and suggestions were provided on the overall assessment results. During the conference, Fubon Financial Holdings' chief information security officer discussed the latest challenges in the information security environment and Fubon's information security requirements of its suppliers in a talk titled "A Common Information Security Framework." It helped suppliers deepen their appreciation of information security management from an ESG perspective and improve their related practices.

Suppliers' Human Rights Risk Management Mechanism

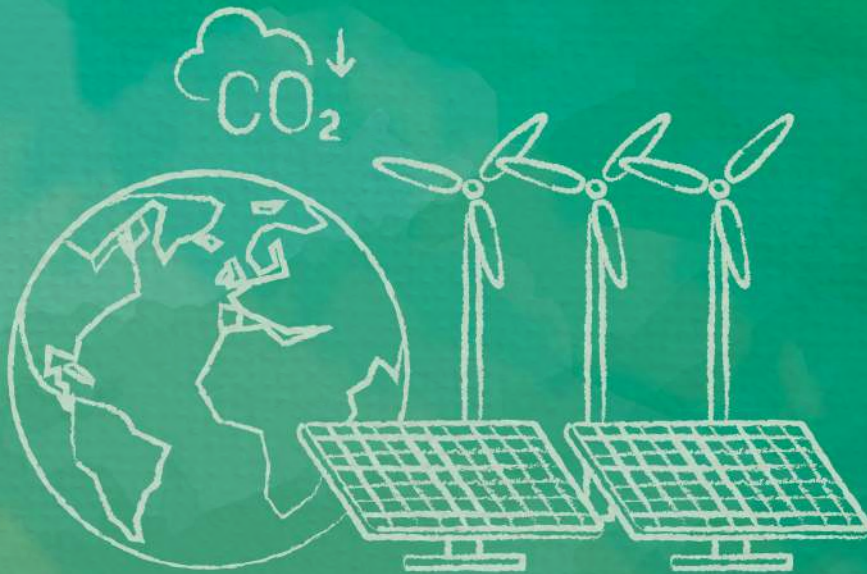
Fubon uses questions on "Management of Workers' Human Rights" in the supplier ESG evaluation to manage its supplier human rights risk. Key elements of the mechanism are described below:

Supplier Human Rights Assessment	Supplier Human Rights Assessment	Risk Identification	Risks	Mitigation Measures
Supplier ESG assessments are conducted annually, and scores on questions in the "Management of Workers' Human Rights" category are reviewed by industry	Have suppliers: - Established written workers' human rights policies or statements? (human rights topics: prohibiting child labor and forced labor, stopping discrimination, equal pay for equal work, providing compensatory leave and overtime pay as legally required). - Provided training on workers' human rights? - Held labor-management consultations on a regular basis? - Promoted human rights due diligence surveys?	The suppliers who participated in the supplier assessments were divided into six groups based on the nature of their businesses. For questions in the "Management of Workers' Human Rights Management" category, the score of the highest scoring group (A) and the score of the lowest scoring group (B) were averaged to get a baseline score (C) used to identify key risk groups and risk levels.	Renovation and interior decoration contractors were deemed a medium risk because their management of workers' human rights scores in 2023 were slightly below the average score for "risk identification." No other new workers' human rights risk groups emerged in 2023.	- For vendors that already have a workers' human rights policy, they are encouraged to expand the coverage of their policy. - For vendors that have yet to draft a human rights policy, they are given guidance on planning and establishing a related policy. - Suppliers also given guidance on organizing internal training on workers' human rights and on holding labor-management meetings.

Overall, the average scores for "Management of Workers' Human Rights" in 2023 were about the same as in 2022. There was progress made on the issues of establishing written polices and holding labor-management consultations, but there was still room for improvement in the areas of providing legally required compensatory leave, paying employees for overtime work, providing workers' rights training, and promoting human rights due diligence surveys. Renovation and interior decoration suppliers still posted lower scores than suppliers in other groups and measures were planned to guide them on making improvements.

3

Decarbonization: Helping Customers Go Sustainable



2023 Highlights

Green Finance

Fubon Financial
Holdings

Total "Green Finance" investment and financing amount reaches NT\$2.57 trillion.

Outstanding Performance on Climate-related Financial Disclosure

Fubon Financial
Holdings

Fubon Financial Holdings continues to issue the TCFD Report, and Taipei Fubon Bank and Fubon Insurance both issued their first TCFD Reports. The TCFD Reports issued by Fubon Financial Holdings and Taipei Fubon Bank earned the highest possible rating, a "Level 5+: Excellence," as certified by BSI.

9.5% of Carbon Reduction

Fubon Financial
Holdings

Reduced Scope 1 and Scope 2 emissions by 9.5% compared to the 2020 baseline.

Join Climate Action 100+

Fubon Life

Fubon Asset
Management

Fubon Life and Fubon Asset Management joined Climate Action 100+ engagement group and derived net-zero emissions action with other members.

First Domestic Non-Life Insurer to Commit to Net-Zero Underwriting

Fubon
Insurance

Fubon Insurance was the first domestic non-life insurer to commit to net-zero underwriting, pledging not to underwrite coal mining/related infrastructure, coal-fired power plants, and unconventional oil and gas businesses that have not taken tangible carbon reduction action or developed a low-carbon transition plan.

Participated in Green Bond Underwriting Cases

Fubon
Securities

Fubon Securities participated in the underwriting of eight green bond issuances, equal to a 73% participation rate.

Established a Sustainability Action Plan

Fubon Asset
Management

Fubon Asset Management set long-term decarbonization targets for its investment portfolio.

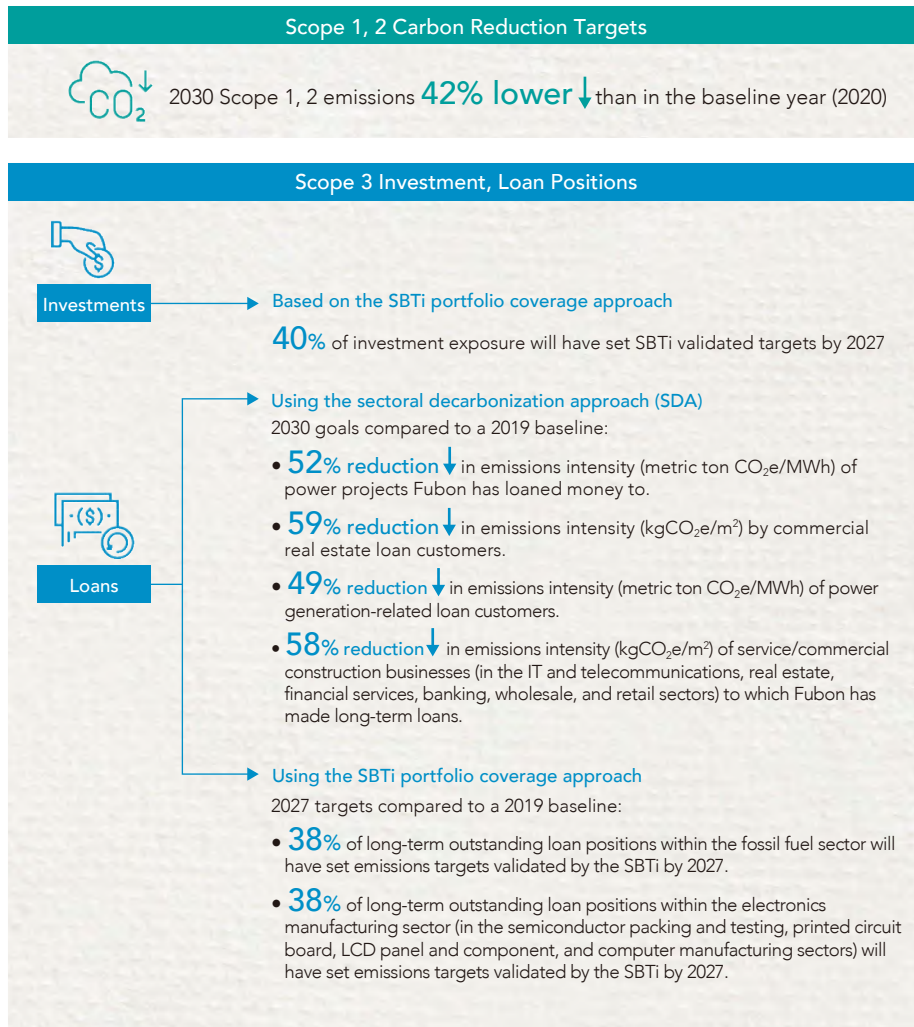
2024 Priorities

- Continue to develop ESG-related investment, insurance and other financial products to fully leverage Fubon Financial Holdings' financial influence.
- Fubon Insurance will add "sustainable damage prevention services" as a strategic indicator and goal.
- Further fine-tune climate change management practices and strengthen climate risk management capabilities.
- Continue to plan green energy purchases based on carbon reduction targets for Fubon operations and carry out related equipment upgrades and energy-saving solutions.
- Continue to modify standards on whether to invest in/pull out of high-emissions industries.



3.1 Net-zero Targets

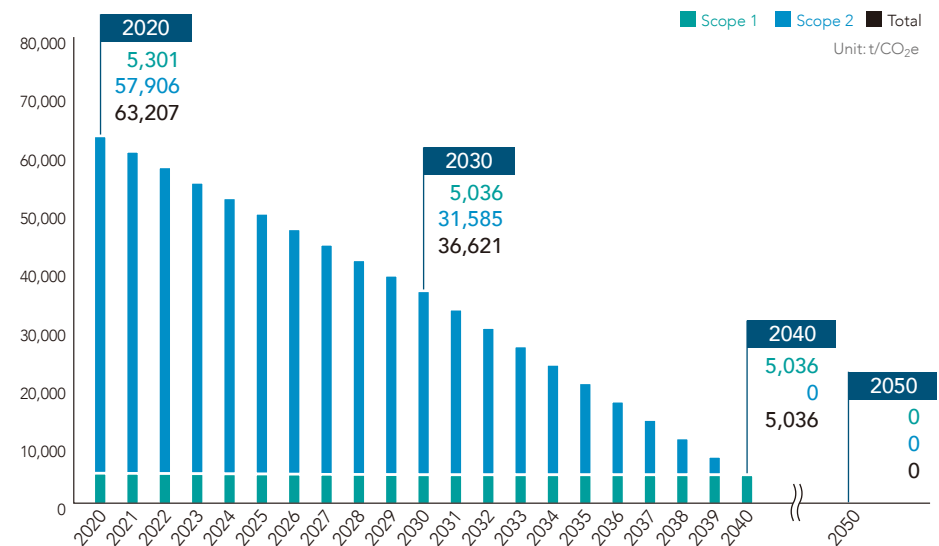
Fubon's planning of its pathway to decarbonization began in 2016 when it committed to set its science-based targets (SBT) for reducing carbon emissions. It then followed guidelines for setting targets for Scope 3 financial sector emissions generated by its investment and loan positions and Scope 1 and 2 greenhouse gases generated by its own business locations, first taking inventory of its carbon positions and calculating emissions, and then devising a carbon reduction pathway. In 2022, it set specific carbon emissions targets and they were validated by the Science Based Targets Initiative (SBTi). They are shown in the table below.



Internal Net-zero Initiatives

- Set SBT targets for Fubon operations: Fubon Financial Holdings set SBT targets for its own operations (Scope 1, Scope 2 emissions) based on the 1.5°C scenario, committing to a 42% reduction in Scope 1 and Scope 2 carbon emissions by 2030 compared to the 2020 baseline; also signed the new version of the SBTi commitment letter, committing to achieve net-zero emissions by 2050 at the latest.
- Joined the RE100: Fubon Financial Holdings became a member of RE100 in September 2022 and committed to using only renewable electricity across its global operations by 2040.
- To achieve the commitments outlined above, Fubon Financial Holdings set medium and long-term carbon-reduction pathways for its operations (see the chart below) and also set an additional gray electricity reduction target for the Scope 2 emissions reduction pathway:
 - Carbon reduction target for operations: Reduce Scope 1 and Scope 2 emissions by 42% (5% reduction in Scope 1 emissions and 45.5% reduction in Scope 2 emissions) by 2030 compared to the baseline year of 2020 to achieve the SBT target and then continue to reduce carbon emissions in a scientific way until cutting them by 92.3% by 2040 (5% reduction in Scope 1 emissions and 100% reduction in Scope 2 emissions); the remaining 7.7% emissions are expected to be eliminated before 2050 using tools or approaches recognized by related international standards to achieve net-zero emissions.
 - Gray electricity consumption reduction target: Reduce gray electricity consumption by 13.6% by 2023, 45.4% by 2030 and 100% by 2040 compared to the 2020 gray electricity usage baseline (to be achieved through energy-saving, purchasing renewable energy and increasing the solar panels for own-use power generation).

Mid-to-long-term Carbon Reduction Pathway for the Operations of Fubon Financial Holdings



Note: The chart covers emissions from Fubon Financial Holdings, Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities, Fubon Asset Management, Fubon Futures, Fubon Securities Investment Services, TFP Capital, Fubon Sports & Entertainment, Fubon Stadium, Jih Sun Commercial Bank (merged with Taipei Fubon Bank in 2023), Jih Sun Securities (merged with Fubon Securities in 2023), Fubon Bank (Hong Kong), Fubon Bank (China), Fubon Private Equity (included in 2023), and Fubon Property & Casualty Insurance (Xiamen) (included in 2023).

Investment and Loan Positions' Net-zero Initiatives

Fubon Financial Holdings



Fubon Financial Holdings has set carbon reduction goals covering more than 50% of its investment and loan portfolios, signaling Fubon's determination to join with its value chain in making the transition to low-carbon. In 2021, the Company announced that it would not make any new loans to mining companies that only mine coal, not make any new loans to or investments in power plants that generate more than 50% of their electricity from coal, and not provide any new project financing to coal-fired power plants. In doing so, it became the first domestic financial institution to pledge limits to investing in high carbon emitting industries. Management guidelines for investing in or financing high carbon industries were also clearly laid out for the first time in the "[Fubon Financial Holding Co., Ltd. And Subsidiaries Sustainable Finance Policy](#)." The policy gave subsidiaries rules and guidelines they could follow uniformly in helping customers with low-carbon transitions while checking standards on whether to invest in or pull investment out of specific industries.



Fubon Life

Fubon Life incorporates environmental, social, and governance factors in the analysis and decision-making process related to any potential investment. If before an investment is made, the investment target has been found to have violated any investment blacklist indicators, the investment should not be made. After an investment is made, it should be regularly tracked using internal ESG indicators (such as whether the company has had environmental or human rights-related violations or experienced serious labor-management disputes). If a company invested in has acted improperly on an ESG issue of importance to Fubon Life, Fubon Life discusses the issue with the company and then assesses whether the engagement was successful. If that company does not make the required improvements, or has been involved in a major dispute or been fined by a regulatory authority, or has been ruled by a court to have violated the law, that company will be put on the blacklist/exclusion list as soon as the court ruling related to the legal violation is final. Consequently, the amount invested in the company cannot be increased and shareholdings are to be gradually sold off.

Fubon Life has joined CA100+ engagement groups, teaming up with other members to promote net-zero action. For more details, see [Section 3.2.1 Engagement with Investee and Loan Companies](#).



Taipei Fubon Bank

Taipei Fubon Bank considers regulatory policies on controlling greenhouse gas emissions when dealing with existing clients that operate public or private power plants run on coal or other fossil fuels, or mining companies that extract coal or other fossil fuels. Aside from understanding whether each client takes inventory of their GHG emissions, the bank also evaluates their planning and execution of GHG emission reduction measures and targets as well as the impact and influence of regulatory policies on their operations, and offers timely advice and financing related to transitions of their businesses. At the same time, the bank has pledged no new financing for: 1) overseas customers' oil exploration and drilling operations; 2) overseas clients' vertical integration (including oil exploration/drilling/refining and product sales); 3) oil field services and pipelines; and 4) petrochemical refineries. Instead, it hopes to use its financial clout to help these clients make low-carbon transitions.



Fubon Insurance

Fubon Insurance began actively supporting renewable energy development in 2017 and has imposed underwriting controls on businesses in the coal and fossil fuel industries. At the same time, to help companies make smooth transitions and limit disruptions in the process, Fubon Insurance provides corporate clients loss prevention services for green energy risks and supports green energy transitions through premium discounts based on a building's rating and green energy insurance planning.

Fubon Insurance was also the first domestic non-life insurer to commit to net-zero underwriting, pledging that in the future it will no longer underwrite coal mining/related infrastructure, coal-fired power plants, and unconventional oil and gas businesses that have not taken tangible carbon reduction action or developed a low-carbon transition plan. It also continued to help set standards on whether to invest in/pull out of high-emissions industries.



Fubon Securities

Fubon Securities complies with the "[Fubon Financial Holding Co., Ltd. and Subsidiaries Sustainable Finance Policy](#)" and supports companies with products and services that contribute to the mitigation of climate change or environmental risks by helping them go public and raise funds. Through its guidance on IPOs and continued focus on the company by attending shareholders meetings, exercising its voting rights, and holding constructive dialogue, Fubon Securities encourages companies to devise sustainability and net-zero transition plans and concrete initiatives, and spurs companies with relatively high carbon emissions to develop greenhouse gas reduction measures.



Fubon Asset Management

Building on Fubon Financial Holdings' strategies of the past, Fubon Asset Management devised a sustainability action plan aimed at leveraging its investments, promoting green practices, and reducing its environmental impact to achieve the goal of net-zero carbon emissions. Under the initiative, the company has set long-term decarbonization targets for its investment portfolio and established emission reduction targets per unit of investment in actively managed domestic stock funds and discretionary investment accounts. The goals for 2023, 2024 and 2025 were set at emissions reductions of 8%, 10%, and 12%, respectively, for emissions per unit of investment compared to the 2022 baseline.

3.2 Low-carbon Finance

3.2.1 Engagement with Investee and Loan Customers

Fubon Financial Holdings is intent on accelerating its value chains' sustainability transition through the use of its financial leverage and low-carbon strategies and goals. It also embraces the stewardship responsibility of an institutional investor by closely monitoring the ESG performance of companies in which investments have been made. Specific practices are as follows:

Appropriate Dialogue and Interaction with Companies Invested in

To strengthen its sustainability practices and comply with the [Principles for Responsible Investment](#), Fubon adheres to principle 3 of its "[Stewardship Principles for Institutional Investors Compliance Statement](#)" – "regularly monitor investee companies" – by monitoring their environmental, social and governance practices. Key ESG issues are identified and used as indicators in monitoring and assessing investee companies and when potential risks related to those issues are found to be high, efforts to engage with those companies are made. Fubon also tries to raise society's awareness of financial sustainability and climate-related risk, and establish constructive engagement with the companies it has invested in and industry partners to fulfill its stewardship responsibilities as an owner and manager of assets, while also strengthening society's risk awareness.

In terms of material ESG issues, Fubon carefully analyzes and assesses whether companies it has invested in have a major negative impact in the environmental, social or governance domains. Material ESG issues could be polluting the environment, endangering public safety or the social order, violating ethical management principles, or abusing human rights and workers' rights and interests, and those issues are included in investment evaluation reports to fully reflect the Company's viewpoint and interests. The operations of companies invested in are continually monitored, and Fubon engages with them on issues of concern. If one of those companies has violated the law, or the long-term interests of the company and its customers have been damaged because of actions on a specific ESG issue, Fubon may send a representative to meet with the company's management to get clarification on how the problem is being handled and then closely monitor follow-up developments.

ESG Issues of Concern



Environmental

- Has the company been involved in any green or environmental violations or have any of its development projects violated restrictions set by environmental impact assessments?
- Risk of climate change.
- The company's operations adversely affect the environment by generating high levels of carbon emissions or pollution.



Social

- The company has been implicated in incidents endangering public order and the safety of people's lives and property.
- The company has been implicated in cases involving violations of human rights or major harm to workers' rights and interests.



Corporate Governance

- A company's upstream, midstream or downstream supplier has violated a domestic or overseas law but the company has not taken any action and continues to cooperate with the supplier.
- The management team has violated ethical management principles.
- The company does not regularly issue a sustainability report, and is not very transparent on sustainability planning and risk information.

Engagement Activities: Raising Climate Awareness

After launching a "Think ESG" project in 2021, Taipei Fubon Bank held a "Think ESG Masters Forum" in 2022 to inspire creative energy and innovative financial practices related to ESG. Fubon board directors and employees, as well as investment and loan clients, were all invited to attend the forum online to learn more about sustainable transformations as experts from the public and private sectors and academia discussed ESG trends and issues. "ESG seminars for SMEs" was also held for small and medium-sized enterprises that Fubon had invested in or lent money to. A survey on their ESG needs was conducted of these more than 2,000 SMEs, with 1,158 of them responding. A quantitative analysis of the responses was conducted to identify the ESG issues of concerns to these companies, and the results were used to build an ESG database and serve as a reference for Taipei Fubon Bank in developing sustainability-related financial products and services. For more details, please see the Taipei Fubon Bank Sustainability Report, Section 2.1.3 Promotion of Sustainable Finance.

Voting Policy

Fubon actively exercises its voting rights as a shareholder in compliance with principle 5 of its "[Stewardship Principles for Institutional Investors Compliance Statement](#)" – "establish clear voting policies and disclose voting results" – and fully participates in the shareholders meetings of companies it has invested in.

In accordance with Article 146-1 of the Insurance Act, insurance subsidiaries cannot vote in the election of directors or supervisors at a company they have invested in, and in those cases, Fubon subsidiaries must abstain. From an investment standpoint, we generally support resolutions proposed by the managements of companies invested in out of respect for the management's expertise and the company's development. On other resolutions, including those involving sustainability, if they negatively affect the environment or violate ethical management or social responsibility principles and the Fubon subsidiary was not able to resolve the issue with the company's management prior to the vote, it will not support the resolution.

Fubon Asset Management established a "Voting Policy" in which it set clear thresholds for exercising voting rights, guidelines for assessing shareholder meeting proposals, and standards for pre-shareholder meeting and management communications. It also specifically defines the types of proposals that in principle should be supported, opposed, or abstained from so that voting rights can be actively exercised to promote shareholder activism.

Joint Engagement Initiatives

Fubon Asset Management signed on to the CA100+ global initiative as a participant in June 2022 to help collectively improve climate change governance, reduce greenhouse gas emissions, and strengthen climate-related financial disclosures to create long-term shareholder value. It also joined the group responsible for engaging with Taiwan-based Hon Hai Precision Industry (Foxconn), teaming up with other institutional investors to engage with Hon Hai on climate-related action, including on carbon reduction measures, human capital management, board of director operations, and the broadening of the scope of ESG information disclosures. These forms of engagement made it possible to effectively leverage our influence as an institutional investor.

Fubon Life has joined the CA100+ as a supporter. Beyond taking part in engagement groups focused on domestic companies, it also joined the engagement groups of two foreign companies in 2023. It used that CA100+ participation to spur domestic and large American companies in which it has invested to set carbon reduction targets and strategies and transition plans. It hopes to continue to exert its influence through these collaborative engagement groups in the future by interacting and engaging with companies it has invested in and maximizing the synergies of these alliances.

3.2.2 Responsible Finance Performance

Sustainability-themed Investments

In 2023, Fubon continued to expand its ESG-related investment and loan portfolios, with low-carbon and renewable energy investment and loan amounts on the rise, reflecting the Company's strong commitment to responsible finance.

Unit: NT\$100 million

SDGs	Action Plan	Type of Investment	2019	2020	2021	2022	2023
	Invest in businesses developing new drugs and biotech therapeutics	Stocks	137	156	125	114	47
		Bonds	714	930	1,043	1,081	1,096
	Invest in green energy or alternative energy enterprises	Wind power and solar power	52	53	78	80	49
		Wind power and solar power	89	139	197	276	320
		Green bonds	126	143	284	371	417
		Green bonds ^{Note 1}	-	-	-	10	-
		Sustainability bonds	-	-	10	-	-
		Social responsibility bonds ^{Note 2}	-	-	10	-	23
		Low-carbon investment ^{Note 3}	16,017	16,780	18,705	19,478	18,970
	Invest in planned property development projects with energy-saving designs and invest in basic infrastructure	Planned property developments with energy-saving designs	514	642	678	877	863
		Green building	131	180	308	409	533
		Seeking out basic infrastructure investment opportunities	139	230	328	477	577
	Invest in Taiwanese enterprises with strong ESG records and ESG-themed funds; invest in six core strategic industries, public infrastructure and long-term care enterprises in line with government policy	Companies rated as good ESG performers	4,198	4,713	5,735	5,715	5,846
		Investment in the six core strategic industries, public infrastructure and long-term care enterprises ^{Note 4}	3,937	5,227	6,019	5,216	5,640
		Green finance ^{Note 5}	870	936	879	1,168	1,804

Note 1: The NT\$1 billion in green bonds (G107C7) issued in 2022 received green bond certification from the Taipei Exchange.

Note 2: Two social responsibility bonds were issued in 2023, NT\$1.3 billion in bonds issued by Taipei Fubon Bank (G107CE) and another NT\$1 billion in bonds issued by Taipei Fubon Bank (G107CF). These two bond issuances were certified by the Taipei Exchange as sustainable development bonds.

Note 3: Low-carbon investment refers to stocks and bonds of constituent companies in the MSCI ACWI Low Carbon Target Index.

Note 4: The six core strategic industries plan was founded on the government's original 5+2 innovative industries plan, AI and 5G. The original category for investment in "enterprises covered under the 5+2 industries, basic infrastructure and social welfare" has been replaced by investment in "six core strategic industries, public infrastructure, and long-term care enterprises."

Note 5: The "green energy technologies and other sectors recognized as green energy-related" has been replaced by "green finance" (including green industry loans, sustainability-linked loans and green spending loans not covered in the wind power and solar power or green building categories in the table above).

ESG Products for Asset Managers

In its role as an asset manager, Fubon Asset Management abides by the Principles of Responsible Investment (PRI) and continually monitors the sustainability commitment of the companies invested in, including their environmental, social and governance practices. Fubon uses sustainability research and surveys on the companies invested in, engagement efforts, and shareholder activism to exert its influence in encouraging those companies to operate sustainably. Fubon Asset Management has established related internal standards, covering the management of different types of assets, the use of positive and negative investment screening, and integrated investment analyses to incorporate ESG factors into investment decisions.

Sustainable Investment Products Categories	Products Covered	Description	2023 AUM (Unit: NT\$100 million)
ESG Integration	- Active funds that invest in equities/bonds - Discretionary investment accounts that invest in equities/bonds - Private equity funds that invest in equities/bonds	Beyond standard financial analysis, Fubon Asset Management makes ESG assessments to gauge investments. Referring to domestic and overseas sustainability standards and frameworks, such as GRI, TCFD, SASB, Corporate Governance Evaluation, and ESG disclosures from the TWSE Corporate Governance Center, the company develops ESG risk indicators and assigns different risk levels to assess new investment positions added by active fund managers or managers of discretionary investment accounts. At the same time, negative investment screening is used to develop a blacklist, covering such factors as negative ESG news, human rights ESG standards, and political and economic risks. The tool is used to guide active fund managers' investment decisions and lower ESG risk. After an investment is made, the investment management team checks the ESG status of the companies invested in on a quarterly basis. If a company in a fund has been assessed as a major risk based on ESG risk indicators and the number of shares of the company in the fund exceeds 1% or more of the company's outstanding shares, it will be listed as a key target of engagement, and the investment management team will decide on and adopt appropriate stewardship actions. - Carbon emissions, per unit - Waste recycling rate % of renewable energy in total power used - Greenhouse gas management - Water resources management - Carbon reduction target - ISO 14000 certification - Air pollution control - TCFD disclosure % of independent directors - Number of female directors - Compensation of directors and senior managers - Establishment of Compensation Committee - Establishment of Sustainability Committee - Communication with stakeholders - Publication of a sustainability report - Establishment of Audit Committee - Adoption of the Responsible Business Alliance Code of Conduct - Third-party certification - Disclosure of the risk management - Disclosure of SASB (Sustainability Accounting Standards Board) guidelines - Employee training hours - Diversity and equal opportunity - Social participation - Human rights protection - Customer privacy protection - Occupational safety and health - Turnover rate of employees	957.75
Best in Class	Fubon FTSE TWSE Taiwan 50 ETF	Fubon Asset Management established the "Fubon FTSE TWSE Taiwan 50 ETF," which fully replicates the FTSE TWSE Taiwan 50 Index, in 2022. That same year, it was awarded a Smart Taiwan Fund Award (with Morningstar technical support) for domestic ETFs. The target index, the FTSE TWSE Taiwan 50 Index, draws its constituents from companies listed on the Taiwan Stock Exchange, using three indicators – market capitalization, free float, and liquidity – and then selects those ranked in the top 50 by market capitalization. The company used Sustainalytics ESG Risk Ratings to assess the 50 constituent stocks, and none of them were severe-risk companies with risk levels above 40. There were also no companies with scores of 1 or below (indicating poor ESG performance) based on the FTSE Russell ESG Ratings system.	685.08
Thematic	- Fubon TWSE Corporate Governance 100 ETF - Fubon ESG Green Energy ETF	The "Fubon TWSE Corporate Governance 100 ETF," which tracks the performance of the TWSE Corporate Governance 100 Index, was Taiwan's first domestic equity ETF to focus on corporate governance. The "Fubon ESG Green Energy ETF," issued in October 2022, tracks the ICE FactSet Global Green Energy ESG Index. Beyond referring to the list of sustainable economic activities under the EU Taxonomy classification system to select green energy companies, the fund also relies on ESG risk scores provided by Morningstar Sustainalytics as a screening standard, leading it to invest in companies involved in green energy and sustainable development.	228.08
Negative/Exclusionary Screening	- Passive funds that invest in equities/bonds (not including the Fubon FTSE TWSE Taiwan 50 ETF, Fubon TWSE Corporate Governance 100 ETF, and Fubon ESG Green Energy ETF), discretionary investment accounts - Investment funds such as discretionary investment accounts, private equity funds	Passive investment management involves managing portfolios based on an index's rules set by the index provider. The index provider sets the index's constituents and only adjusts the portfolio when there is a change in the index. The constraints of the format, therefore, mean that it is impossible to actively select stocks. As a result, Fubon Asset Management uses a negative screening method that places countries that fall short on human rights-related ESG indicators and preventing money laundering on an investment blacklist. Fubon Asset Management also offers customers discretionary and private equity fund services, with the funds obtained invested primarily in fund products. Before investing in this type of product, the company evaluates the fund management institutions based on such indicators as whether it has signed on to the Stewardship Principles or the U.N. Principles for Responsible Investment.	3,767.59
Total AUM			5,934.51
Total sustainable-related assets			5,638.51
Percentage of sustainable AUM over Total AUM			95.01%

Aside from the funds issued and managed by Fubon Asset Management described above, Taipei Fubon Bank develops and rolls out sustainability-related investment products issued by third parties. In 2023, the Bank added 11 ESG equity funds and 12 sustainability/green bonds. Their inventory costs are NT\$51 million, 0.01% of the total inventory costs of all investment products. Of these new funds, "ESG Integration" and "Impact Investing" funds had inventory costs of NT\$23 million and NT\$28 million, respectively. More ESG investment vehicles are being developed in 2024 to further leverage Fubon Financial Holdings' financial influence.

Participation in Green Bond Underwriting Cases

Fubon Securities harnessed our underwriting expertise to help companies issue sustainable development bonds (green bonds), fulfilling our corporate social responsibility.

2023 Results

1. Was involved in the underwriting of eight green bonds in 2023: served as the lead underwriter for TSMC 112-2 and Crédit Agricole Corporate and Investment Bank, Taipei Branch 112-1 and was one of the underwriters for Taipower 112-3, 112-5 and 112-6, TSMC 112-1, Far Eastern New Century 112-2 and United Microelectronics Corporation 112-1; green bond participation rate in 2023 was 73%.
2. Underwrote IPOs and SPOs of companies that contribute to "providing goods and services that mitigate climate change or environmental risks"; in 2023, underwrote 75 IPO and SPO cases, of which 38 were related to environmental sustainability, or 51% of the total; target achievement rate was 118%.
3. Continued to offer guidance to companies that contribute to "providing goods and services that mitigate climate change or environmental risks" on TSWE/TPEx listings: INA Energy (green energy), Tienli Offshore Wind (wind power), Huang Chieh Metal Composite Material (lightweight composite metal materials), Santi Renewable Energy (green energy), Gus Technology (EVs and batteries), Ion Electronic Materials (IEMC) (electrochemical specialty gases), Mega Union Technology (wastewater equipment installation and services), Ark Solar Energy (green energy).

ESG-related Insurance Products and Services

Natural Disaster Services and Agriculture Insurance

Fubon Insurance provides business continuity planning and post-disaster loss control services that help customers quickly rebuild their operations and reduce capital expenditures when a disaster occurs, limiting the potential risks from accidents. With the backing of the global reinsurance market, the company offers complete protection against natural disasters to companies and the public through earthquake, typhoon and flood insurance and business interruption insurance. Fubon Insurance has also actively participated in the Ministry of Agriculture's pilot program for crop insurance, developing insurance products best suited to Taiwan. It launched Taiwan's first agriculture insurance policy (for top grafted pear crops) in 2015, and has since introduced policies covering pears, rice, bananas, grouper, milkfish, striped bass, tilapia, watermelons and, in 2022, red beans, as well as typhoon and flood insurance for agricultural facilities. These products give Taiwan's farmers and aquaculture operators insurance options that help them divert risks from natural disasters. Fubon Insurance has also worked closely with experts in other fields to develop innovative products tailored to the special characteristics of different crops.

Loss Control Services



Natural Disaster and Agriculture Insurance Products		Policies				Premium Income (NT\$ million)			
		2020	2021	2022	2023	2020	2021	2022	2023
Natural Disasters	Natural Disaster Insurance	501,959	503,886	528,585	521,485	3,646.1	3,700.1	3,960.2	4,792.8
Crops	Pear Crop Insurance	1,012	1,446	1,403	1,314	25.7	34.8	37.6	37.6
	Rice Crop Insurance	16,723	18,695	972	1,035	95.5	110.5	4.0	3.8
	Banana Crop Insurance	182	114	85	62	4.5	2.7	3.5	2.6
	Watermelon Crop Insurance	-	3	18	25	-	0.03	0.8	0.5
	Red Bean Insurance (launched in 2022)	-	-	645	230	-	-	2.8	0.2
Aquaculture	Temperature-indexed Parametric Aquaculture Insurance	93	407	138	144	16.3	58.6	21.9	22.7
	Parametric Rain Aquaculture Insurance	5	10	1	3	0.4	0.5	0.2	0.3
Agricultural Facilities	Typhoon and Flood Agricultural Facility Insurance	752	618	601	442	8.0	10.6	8.4	5.9
Total		520,726	525,179	532,448	524,740	3,796.5	3,917.8	4,039.4	4,866.4
Share of total underwriting portfolio (%)		4.03%	3.39%	3.68%	3.77%	8.42%	7.70%	7.50%	8.39%

Insurance for Green Energy Products

Fubon Insurance has made harnessing its core competencies to create environmentally friendly products and services a top priority. Beyond using its influence to push green concepts, it also hopes to achieve its vision of a low-carbon lifestyle and environmental sustainability by giving customers incentives to get involved.

Insurance for Green Energy Products		Policies				Premium Income (NT\$ million)			
		2020	2021	2022	2023	2020	2021	2022	2023
Eco-friendly Car Insurance		2,081	12,786	20,891	24,342	81.5	117.1	186.3	186.0
Special Green Energy Insurance		1,547	1,715	1,831	2,056	899.8	903.3	1,151.9	1,713.0
Insurance for Electric Motorbike Sharing Services		10,117	20,671	21,173	21,153	8.3	9.7	10.4	13.3
Total		13,745	35,172	43,895	47,551	989.6	1,030.1	1,348.6	1,912.3
Share of Total Underwriting Portfolio (%)		0.11%	0.23%	0.30%	0.34%	2.20%	2.03%	2.50%	3.30%

Sustainability-related Insurance Products

Fubon Insurance offers "Environmental Pollution Liability Insurance" to raise environmental awareness among ESG-sensitive gas station owners and storage tank operators and help them manage pollution risks to the soil and groundwater. This coverage offers protection against liability for losses, compensation, or cleanup or remediation costs generated by accidental or gradual pollution. But if a potential client for this insurance has been put on a government watch list, indicating that the location where the client operates could have soil or groundwater pollution issues, the applicant will only be able to get insurance once it completes a remediation plan and is removed from the watch list.

Sustainability-related Insurance Products		Policies				Premium Income (NT\$ million)			
		2020	2021	2022	2023	2020	2021	2022	2023
Environmental Pollution Liability Insurance		14	14	20	13	2.7	2.6	4.1	3.2
Information Security Insurance		39	61	74	72	24.4	47.6	67.9	71.2
Total		53	75	94	85	27.1	50.2	72.0	74.4
Share of Total Underwriting Portfolio (%)		<0.01%	<0.01%	<0.01%	<0.01%	0.06%	0.10%	0.13%	0.13%

Liability Insurance and Innovative Policies

To address global emerging risks, Fubon Insurance relies on liability insurance and new types of insurance products to help companies operate sustainably, strengthen their corporate governance, make it easy for enterprises and individuals to divert risk, and beef up social resilience.

Liability and Innovative Insurance Products	Policies				Premium Income (NT\$ million)			
	2020	2021	2022	2023	2020	2021	2022	2023
Directors & Officers Liability Insurance	395	754	739	708	134.7	202.2	231.9	245.4
Self-driving Vehicle Test Insurance	15	15	35	24	0.8	0.4	0.2	0.1
Total	410	769	774	732	135.5	202.6	232.1	245.5
Share of Total Underwriting Portfolio (%)	<0.01%	<0.01%	<0.01%	<0.01%	0.30%	0.40%	0.43%	0.42%

3.3 Green Operations

3.3.1 Greenhouse Gas Reduction and Renewable Energy

Organizational Inventory

GHG Emissions

Fubon Financial Holdings launched the ISO 14064-1 greenhouse gas inventory and assurance certification process since 2012. Scope 1 and Scope 2 emissions from the past four years, the results of the 2023 certification process, and carbon reduction targets are shown below.

(1) Scope 1, Scope 2 Emissions from Fubon Operations (2020-2023)

GHG Emissions ^{Notes 1, 2} (t/CO ₂ e)		2020	2021	2022	2023	2023 Target ^{Note 3}
Operational Emissions	Scope 1	5,301	5,152	4,955	8,808	5,221
	Scope 2	Location Based	57,906	54,195	53,799	50,420
		Market Based	57,906	54,195	53,508	48,423
	Scope 1 + Scope 2 Total	Location Based	63,207	59,347	58,754	59,228
		Market Based	63,207	59,347	58,463	57,231
Operational Emissions Intensity	Operational emissions/NT\$1 million revenue	0.0675	0.0630	0.0850	0.0809	-
	Operational emissions/ employee work hours	1.409	1.407	1.414	1.414	-

Note 1: Operational emissions for 2020 to 2023 include those from Fubon Financial Holdings, Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities, Fubon Asset Management, Fubon Futures, Fubon Securities Investment Services, TFP Capital, Fubon Sports & Entertainment, Fubon Stadium, Jih Sun Commercial Bank (merged with Taipei Fubon Bank in 2023), Jih Sun Securities (merged with Fubon Securities in 2023), Fubon Bank (Hong Kong), Fubon Bank (China), Fubon Private Equity (included in 2023), and Fubon Property & Casualty Insurance (Xiamen) (included in 2023).

Note 2: The GHG emissions inventory in 2023 was conducted based on the standards of ISO 14064-1:2018, the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, GHG Emissions Registry Guidelines, and 2021 IPCC AR6 GWP values, and was verified by assurance institutions such as the British Standards Institution (BSI). For more details, please refer to the 2023 GHG Emissions Inventory and Assurance Results table. Emissions for 2020 to 2022 were adjusted based on the boundaries used for 2023. For 2022, aside from Fubon Private Equity and Fubon Property & Casualty Insurance (Xiamen), for which the emissions were figured based on emissions per employee, the inventory methods and assurance process for emissions for other companies were the same as in 2023 (with emissions 1.1% higher than pre-adjustment levels). For 2020 and 2021, the inventory emissions for Fubon Financial Holdings, Fubon Life, Taipei Fubon Bank, Fubon Insurance and Fubon Securities and the assurance process were the same as in 2023, while the emissions of other companies were estimated based on their actual consumption of fuel and electricity or their emissions per employee (increasing emissions by 1.2% in 2020 and 2021 compared to pre-adjustment levels).

Note 3: The Scope 1 emissions target for 2023 was a 1.5% reduction from the 2020 baseline (target emissions were 5,221 t/CO₂e). The Scope 2 emissions target for 2023 was a 13.6% reduction from the 2020 baseline (target emissions were 50,031 t/CO₂e). The overall target for operational emissions was a 12.6% reduction from the 2020 baseline (target emissions were 55,252 t/CO₂e).

(2) Operational Emissions Reduction Target

Baseline is Scope 1 and Scope 2 carbon emissions in 2020; Fubon pledged to reduce emissions by 12.6% by 2023 (1.5% reduction in Scope 1 emissions and 13.6% reduction in Scope 2 emissions), and by 42% by 2030 (5% reduction in Scope 1 emissions and 45.5% reduction in Scope 2 emissions) compared to the baseline to achieve the SBT target and then continue to reduce carbon emissions in a scientific way until cutting them by 92.3% by 2040 (5% reduction in Scope 1 emissions and a 100% reduction in Scope 2 emissions). The remaining emissions are expected to be eliminated before 2050 using other related tools approved by international standards.

(3) 2023 Carbon Reduction Performance

Fubon continued to purchase green energy, upgrade its lighting systems and electrical equipment, and manage energy usage more efficiently in 2023. For the year, Scope 2 emissions (market-based) totaled 48,423 t/CO₂e, down 16.4% from the 2020 baseline of 57,906 t/CO₂e, beating the 13.6% reduction target. Subsidiary Fubon Bank (China), however, filled its fire extinguishing system with HFC-227ea fire extinguishing agents at its headquarters and Suzhou branches, increasing emissions for firefighting purposes by 3,492 t/CO₂e. That brought total operational emissions in 2023 to 57,231 t/CO₂e, down 9.5% from the 2020 baseline of 63,207 t/CO₂e, but still falling short of the 12.6% reduction target. If the fire prevention-related emissions are excluded, however, operational emissions in 2023 totaled 53,739 t/CO₂e, 15.0% lower than baseline emissions.

(4) Scope 3 Value Chain Emissions (2020-2023)

GHG Emissions ^{Note 1, 2} (t/CO ₂ e)	2020	2021	2022	2023	Emissions Calculation Methodology and Exclusions
1. Purchased Goods and Services	39,384	35,297	39,336	48,413	Used the spend-based method: Calculated the purchase amount of each category of goods and services (the activity data) and then calculated the carbon emissions of each category according to the unit currency emission coefficient corresponding to each category and added them up; emissions include subsidiary Fubon Bank (Hong Kong)'s water-related emissions, calculated based on total water consumption reported in the Hong Kong Water Supplies Department's Annual Report and the related emissions coefficient.
2. Capital Goods	75,736	79,005	48,068	86,440	Used the spend-based method: Calculated the purchase amount of each category of capital goods (the activity data) and then calculated the carbon emissions of each category according to the unit currency emission coefficient corresponding to each category and added them up.
3. Fuel- and Energy-related Activities (not included in Scope 1 or 2)	11,575	9,309	8,863	9,409	Included upstream emissions generated by electricity and fuel purchased; annual consumption of electricity and different types of fuel is the activity data. Emissions were calculated by multiplying the activity data and the corresponding carbon footprint coefficients. (Carbon footprint coefficients obtained from the carbon footprint section of the website of Taiwan's Environmental Protection Administration or the China Products Carbon Footprint Factors Database.)
4. Upstream Transportation and Distribution	0.06	0.05	0.03	0.14	Used the distance-based method: Calculated the ton-kilometers of each type of vehicle based on the weight and distance of the goods transported by vehicle type, and then calculated the emissions based on the corresponding emission coefficient of each type of vehicle.
5. Waste Generated in Operations	453	347	308	280	Emissions were calculated by multiplying the weight of waste generated by the Company's operations and the average value of the corresponding coefficient found in the carbon footprint section of the website of Taiwan's Environmental Protection Administration. The amount of waste generated by the organization's operations was calculated based on a measurement of the average daily waste per person at headquarter buildings and representative business locations and then used to calculate total waste based on all employees and the number of working days in 2023.
6. Business Travel	125	83	109	372	Business travel consisted of flights and high-speed rail. Emissions from flights taken were calculated based on flight information from travel agencies and data from Version 10 of the ICAO's Carbon Emissions Calculator Methodology. Google was used to calculate distances traveled on flights involving transits. The calculation of high-speed rail transportation emissions was based on Fubon ticket purchase records provided by Taiwan High Speed Rail Corporation (THSRC), the data from which was then converted into emissions using the passenger-kilometer emissions coefficient found on THSRC's website.

(Continue)

GHG Emissions ^{Note 1, 2} (t/CO ₂ e)	2020	2021	2022	2023	Emissions Calculation Methodology and Exclusions
7. Employee Commuting	34,546	28,896	24,405	23,361	Used online questionnaires to collect information on the mode of transportation used for employee commutes and their locations; results of valid questionnaires used to calculate average commuting emissions per employee, and that average was then used to calculate total commuting emissions across the entire workforce. Employee commuting emissions = (total emissions from valid questionnaires/number of valid questionnaires) * number of round trips* total number of employees* number of working days in 2023.
8. Upstream Leased Assets	0	0	0	0	The emissions generated at leased office spaces and branches were included in the calculation of Scope 1 and Scope 2 emissions.
9. Downstream Transportation and Distribution	21	76	78	78	Refers to the emissions generated during the delivery of customer paper documents, including bills, insurance policies, postcards, mail, statements, and payment notices. Used the distance-based method: Calculated the ton-kilometers of each type of vehicle based on the weight and distance of the goods transported by vehicle type, and then calculated the emissions based on the corresponding emission coefficient of each type of vehicle.
10. Processing of Sold Products	139	191	224	569	Used the average-data method: Compiled the weight of credit cards and debit cards that have been issued and calculated the emissions generated during the manufacturing stage of their life cycles.
11. Use of Sold Products	6,570	6,738	5,228	9,045	Included compiling the weight of credit cards and debit cards that have been issued, calculating the emissions generated from the electricity used by the electronic equipment needed to process the cards during their full life cycles, and counting the number of hours customers spent on online financial service platforms to determine emissions generated by power consumption.
12. End of Life Treatment of Sold Products	268	973	1,086	2,652	Compiled the weight of credit cards and debit cards that have been issued, and calculated the emissions they will generate during the disposal and recycling stage of their life cycles.
13. Downstream Leased Assets ^{Note 3}	-	-	-	161,850	Used Taiwan dynamic EUI indicators (energy-use intensity) or building energy-efficiency data to calculate the greenhouse gas emissions of downstream leased properties based on their floor space.
14. Franchises	-	-	-	-	Only applicable emissions are those related to Fubon Life and Fubon Insurance policies sold by insurance brokers; emissions were not calculated due to insufficient data.
Other Upstream	0	0	0	0	The 2022 water-related emissions of subsidiary Fubon Bank (Hong Kong) have been incorporated into category 1 "Purchased Goods and Services."
Total^{Note 4}	168,818	160,914	127,701	342,469	

Note 1: The emissions from fuel- and energy-related activities, waste generated in operations, business travel, employee commuting, the purchased goods and services of Fubon Bank (Hong Kong) and Fubon Bank (China) in 2022 and 2023, and the purchased goods and services of Fubon Property & Casualty Insurance (Xiamen) in 2023, were conducted based on the standards of ISO 14064-1:2018, the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, the GHG Emissions Registry Guidelines, the ICAO, the Carbon Footprint Information Platform, passenger-kilometer carbon coefficients for high-speed rail services on THSRC's website, the Taipei Rapid Transit Corporation's CSR Report, the China Products Carbon Footprint Factors Database, the Hong Kong Water Supplies Department's Annual Report, and Ecoinvent 3.8, and verified by assurance institutions such as the British Standards Institution (BSI). For more details, please refer to the 2023 GHG Emissions Inventory and Assurance Results table. The emissions from the above-mentioned emissions for 2020, 2021, and 2022 were adjusted based on the boundaries adopted in 2023 using the per person emissions method, increasing emissions by 1.0%, 1.2% and 1.2%, respectively in those years. Emissions from other sources were calculated using self-inventory methods. For their calculation methods, please see the description for each emission source.

Note 2: Explanation of increase in emissions: The inclusion of downstream leased assets in the emissions inventory in 2023 and an increase in emissions from capital goods, purchased goods and services, and use of sold products resulted in an increase in Scope 3 emissions (excluding investments and loans) of 342,469 t/CO₂e.

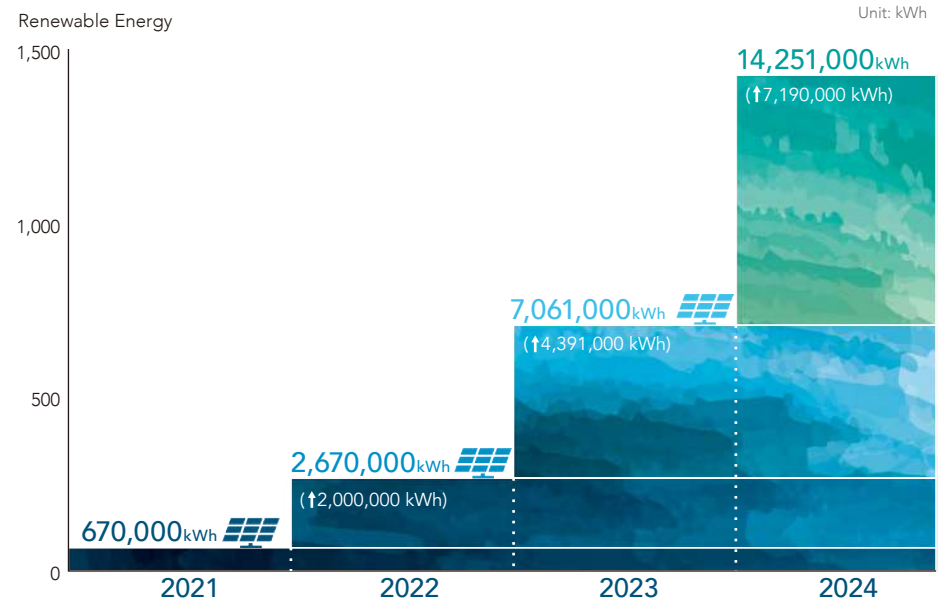
Note 3: In line with the 2023 Scope 3 financed emissions handbooks for the domestic insurance and banking sectors, we used Scope 3 emissions item 13 "downstream leased assets" in place of item 15 "financed emissions" to calculate emissions for the Company's commercial property investments used for leasing purposes. The calculation boundary for downstream leased assets based on financial materiality covered commercial property investments used for leasing purposes owned by subsidiaries Fubon Life and Fubon Insurance.

Note 4: Total Scope 3 emissions do not include financed emissions.

Promoting Renewable Energy

(1) Increasing Procurement of Renewable Energy

Fubon Financial Holding's Renewable Energy Purchases 2021-2024



Fubon Financial Holdings and its subsidiaries have steadily increased their purchases of renewable energy, starting in 2021 with a purchase of 670,000 kWh/year of renewable energy. Of that, 571,000 kWh was actually delivered in 2022. In September 2022, Fubon expanded the scale of its renewable energy purchases after having its SBT targets validated and joining the RE100, and by 2023 it had purchased a total of 7.06 million kWh/year. Because of various reviews and operational timetables, 6.39 million kWh of that was provided in phases starting in 2023 Q2. The actual amount used in 2023 was 4.03 million kWh, equal to 3,975 T-REC (Taiwan Renewable Energy Certificates) and a reduction of 1,997 t/CO₂e in Scope 2 emissions. Fubon Financial Holdings is planning to buy another 7.19 million kWh/year in renewable energy in 2024, which would bring the cumulative total to 14.25 million kWh/year by the end of 2024.

(2) Ramping Up Installation of Solar Panels

Fubon Financial Holdings has installed solar panels on the roofs of eight of its locations, with total installed capacity of 247.1 KW. The eight solar panel arrays generated a combined 218,344 kWh, resulting in a reduction of 108.08 t/CO₂e. Several of the locations generated power for self-use, including the Taipei Jianguo Building (100% for self-use), the Taipei Liaoning Building (37.2% for self-use), the Taichung Wenxin Building (60% for self-use), the Taipei Zhongshan Building (100% for self-use), and Fubon Securities' Chiayi Branch (100% self-use), which have a combined installed capacity of 206.5 KW. A total of 141,946 kWh was generated for self-use in 2023, with carbon reduction benefits of 70.26 t/CO₂e.

Locations		Completed Date	Installed Capacity (kW)	2023		Cumulative since Completion	
				Power Generation (kWh)	Carbon Reduction (t/CO ₂ e)	Power Generation (kWh)	Carbon Reduction (t/CO ₂ e)
Fubon Life	Taipei Jianguo Building	2022/05	63.9	67,950	33.64	108,150	54.10
	Taipei Liaoning Building	2021/05	34.8	42,672	21.12	89,665	44.99
	Taichung Wenxin Building	2018/01	5.2	5,520	2.73	33,036	17.08
	Taipei Tungnan Building	2016/04	8.6	8,803	4.36	71,437	37.59
Taipei Fubon Bank	Taipei Zhongshan Building	2018/07	35.4	40,231	19.91	212,594	109.10
Fubon Insurance	Kaohsiung Chunghua Building	2018/12	19.5	27,059	13.39	136,821	69.68
	Pingtung Building	2017/07	12.5	11,530	5.71	85,529	44.31
Fubon Securities	Chiayi Branch	2023/11	67.2	14,579	7.22	14,579	7.22
Total		-	247.1	218,344	108.08	751,811	384.07

Note: 1. The emissions factor for power consumption in Taiwan in 2023 was 0.495 kg CO₂e/kWh

2. In 2023, the Fubon Life Taipei Jianguo Building generated 69 T-REC, and the Taipei Fubon Bank Taipei Zhongshan Building generated 40 T-REC.

Internal Carbon Pricing

Fubon Financial Holdings launched an internal carbon pricing mechanism based on an implicit pricing model in 2021. It was done in response to expectations among international assessment organizations that enterprises adopt carbon pricing and also to improve Fubon's energy efficiency and change its internal behavior. Under the new program, designed to evaluate the carbon reduction benefits of new equipment purchases, Fubon and its subsidiaries use these guidelines to do their assessments:

- Calculate the carbon reduction cost (carbon price) of the equipment under consideration, and compare the benefits with the average carbon reduction cost (average carbon price) for other models of the same type of equipment.
- Carbon price = Net cost of equipment investment/estimated carbon reduction during the service life of the equipment; Average carbon price = Sum of net costs of purchases of similar equipment in previous years/total estimated carbon reduction during the estimated service life of that equipment.
- Average carbon price to be announced and updated every year; in 2023, the average carbon prices for different types of equipment ranged between -NT\$3,000/tCO₂e and NT\$51,200/tCO₂e; the average was NT\$400 per tCO₂e.

To make Fubon's carbon reduction management more efficient, the Company began in 2022 to announce on its internal website the results of its ISO 14064-1 GHG emissions inventory and simulated calculations of carbon fees for Scope 1 and Scope 2 emissions as a reference for the managements of Fubon subsidiaries. The simulation used an initial price of US\$10 t/CO₂e suggested in a study titled "Carbon pricing options for Taiwan" by the London School of Economics and Political Science (LSE) that was commissioned by the Environmental Protection Administration. The basis for calculating carbon fees will be adjusted in the future after Taiwan's government announces its carbon fee standards.

Procurement of Carbon Credit

The Taiwan Carbon Solution Exchange was established in 2023, and Fubon was one of the first buyers of carbon credits on the exchange in support of Taiwan's goal to achieve net-zero emissions by 2050. The purchase was for carbon credits generated by the AMI Khanh Hoa solar power project in Vietnam, aimed at boosting the local supply of renewable energy, reducing greenhouse gas emissions from power generation, and supporting Vietnam's green economy transition and green jobs. The project was aligned with SDGs Goal 7 Affordable and Clean Energy, Goal 8 Decent Work and Economic Growth, and Goal 13 Climate Action, and it complied with the Carbon Offsetting and Reduction Scheme

for International Aviation (Corsia) and the Core Carbon Principles (CCP). The emergence of a carbon trading platform should give companies incentives to cut carbon, promote low-carbon manufacturing technologies and foster innovation. As a leader in green finance, Fubon will sharpen its focus on the development of carbon credits and work with strategic partners to implement related policies.

3.3.2 Low-carbon Operations

Environmental and Energy Management Systems

- ISO 14001: Fubon Financial Holdings obtained ISO 14001:2015 environmental management certification in 2016, and established an Environmental Management Policy and issued an Environmental Policy Statement the same year. One of its major subsidiaries, Fubon Insurance, obtained certification under the standard in 2018. Other major subsidiaries Fubon Life, Taipei Fubon Bank and Fubon Securities adopted the environmental management system and received certification in 2019. Subsequent inspections and verifications continue to be carried out annually, and all of the above certifications remain valid.
- ISO 50001: Fubon Financial Holdings and Fubon Insurance obtained ISO 50001 certification in 2017. Fubon Life, Taipei Fubon Bank and Fubon Securities obtained certification under the standard in 2018. Subsequent inspections and verifications continue to be carried out annually, and all of the above certifications remain valid.

Energy Management Performance

(1) Gray electricity consumption reduction target

Baseline is gray electricity consumption in 2020; pledged to cut gray electricity consumption by 13.6% by 2023, by 45.4% by 2030 and by 100% by 2040 compared to the 2020 baseline (to be achieved through energy saving initiatives, purchases of renewable energy and increases in solar panels for own-use power generation).

(2) Energy-conservation results

Gray electricity consumption in 2023 totaled 96,539,756 kWh, down 12.1% (or 13,306,311 kWh) from the 109,846,067 kWh consumed in 2020. Energy-saving measures accounted for 9,272,804 kWh saved (cutting power use by 8.4%) and green energy purchases reduced the use of gray electricity by 4,033,507 kWh (cutting power use by 3.7%).

Energy Types ^{Note 1}		2020	2021	2022	2023	2023 Target ^{Note 2}
Non-Renewable Energy ^{Note 3}	Purchased Gray Electricity (kWh)	109,846,067	103,874,470	104,410,869	96,539,756	94,907,002
	(Liter)	529,876	444,964	398,100	290,546	-
	Gasoline (kWh)	4,803,476	4,033,719	3,608,890	2,633,881	-
	(Liter)	30,779	35,713	39,965	38,433	-
	Diesel (kWh)	300,484	348,662	390,172	375,214	-
	(m ³)	21,483	20,242	20,140	23,406	-
Renewable Energy	Natural Gas (kWh)	232,317	218,900	217,797	253,117	-
	Total (kWh)	115,182,344	108,475,751	108,627,728	99,801,968	94,907,002
	Purchased Renewable Energy (kWh)	0	0	570,981	4,033,507	9,666,454
	Renewable Electricity for Self-Use (kWh)	52,257	54,786	121,614	141,946	-
Total (kWh)		52,257	54,786	692,595	4,175,453	9,666,454
Sum of Energy Consumption (kWh)		115,234,601	108,530,537	109,320,323	103,977,421	-
Energy Consumption per Person (kWh)		2,568	2,572	2,643	2,568	-

Note 1: The boundaries used for energy consumption are the same as for operational emissions. Gray electricity consumption in the years 2020, 2021, and 2022 was adjusted based on the boundaries adopted in 2023 using the per employee consumption method, increasing consumption for the three years by 1.5%, 1.4% and 1.5%, respectively.

Note 2: The 2023 target for the purchase of gray electricity was set at 13.6% below the 2020 baseline (goal was gray electricity use of 94,907,002 kWh); the target for the purchase of renewable energy was 8.8% of baseline gray electricity consumption in 2020 (target of 9,666,454 kWh).

Note 3: The thermal value of gasoline for vehicles is 32.635 million joules/liter, and 35.146 million joules/liter for diesel fuel, 38.931 million joules/m³ for natural gas, and 3.6 million joules per kWh of electricity.

To improve its energy management efficiency, Fubon Financial Holdings has continued to purchase renewable energy, increase its use of energy-saving lighting fixtures, replace inefficient electrical equipment, install solar panel arrays, and encourage energy-conservation management and promotion. The main upgrades related to energy-saving lighting, electric equipment, and solar panels in 2023 were as follows:

Major Replaced or Added Equipment in 2023	Environmental Benefits	
	Electricity Savings (kWh)	Carbon Reduction (t/CO ₂ e)
Installation of LED lamps and lighting sensors (in the branches of Taipei Fubon Bank and Fubon Securities)	168,000	83
Replaced the main air-conditioning units in Fubon buildings (Fubon Life World Trade Financial Plaza Building, Fubon Financial Center Building)	447,711	222
Upgraded elevator equipment in Fubon buildings (Fubon Insurance Keelung Building, Fubon Insurance Taichung Liuchuan Building)	20,169	10
Installed solar panels at the Fubon Securities Chiayi Branch	14,579	7
Total	650,459	322

Note: The emissions factor for power consumption in Taiwan in 2023 was 0.495 kg CO₂e/kWh.

Water Resource Management

(1) Water-saving Targets

Based on the water consumption baseline in 2020, reduce consumption by 4.5% by 2023, 7.5% by 2025 and 10% by 2030.

(2) 2023 Water-saving Results

We continued to replace old flush toilets and fittings and installed water-saving equipment in Fubon buildings, recycled some of the condensation from air-conditioning units for use in watering plants, and monitored systems for abnormalities and made improvements. In 2023, a total of 538,279 cubic meters of water were used, down 16.1%, or 102,958 cubic meters, from the 641,237 cubic meters used in 2020.

Water Management Performance ^{Note 1}	2020	2021	2022	2023	2023 Target ^{Note 2}
Water Consumption (Cubic meters)	641,237	575,302	540,245	538,279	612,381
Water Discharged (Cubic meters)	641,237	575,302	540,245	538,279	-
Water Consumption Per Person (Cubic meters/ person)	14.29	13.64	13.06	13.30	-

Note 1: The boundaries used for water consumption are the same as those used for operational emissions. The water consumption totals for the years 2020, 2021, and 2022 were adjusted based on the boundaries used in 2023 using the per person method, with usages ending up 1.8%, 1.7%, and 1.7% higher, respectively, than the original totals.

Note 2: The 2023 target was to reduce water consumption by 4.5% (or to 612,381 cubic meters) from the 2020 baseline amount.

Waste Management

(1) Waste Reduction Targets

Based on the general waste per person baseline in 2021, reduce waste by 3% by 2023, 5% by 2025 and 7.5% by 2030.

(2) 2023 Waste Reduction Performance

We continued to encourage all of our offices and branches to use eco-friendly containers and tableware rather than disposable tableware and end the purchase of plastic cups, using EDM, email, and the M+ instant messaging app to get the message across. We also implemented waste sorting and recycling of kitchen waste based on the principle of "minimizing waste and maximizing resource recovery," while also holding environmental competitions and assessments. In 2023, the amount of general waste generated per person was 0.022 t/person, down 15.5% (or 0.004 t/person) from 0.026 t/person in 2021.

Amount of Waste ^{Notes 1, 2}	2020	2021	2022	2023	2023 Target ^{Note 3}
Total Waste Generated (A) (Metric Tons)	2,116	1,916	1,667	1,416	
Total Waste Recycled (B) (Metric Tons)	789	903	765	592	
Total Waste Disposed (General Waste) (A)-(B) (Metric Tons) ^{Note 4}	1,327	1,013	902	824	
General Waste Per Person (Metric Tons/ person)	0.032	0.026	0.023	0.022	0.025

Note 1: Boundaries the same as the companies located in Taiwan covered in the "Energy Management Performance" table.

Note 2: The weight of total waste disposed was calculated by first calculating daily waste per person at Fubon office buildings and some branches and then multiplying the average by all employees of Fubon Financial Holdings and its related subsidiaries and the number of working days in the year.

Note 3: Waste reduction targets use total waste disposed per person in 2021 as the baseline and called for a 3% reduction in 2023 (general Waste 0.025 Metric Tons/ person).

Note 4: 100% of the waste to be disposed is entrusted to a waste management company to transport and have incinerated (through a waste heat recovery process). There are no other handling methods.

Copy Paper Use Management

Reduction of Copy Paper Consumption

(1) Copy Paper Reduction Targets

Based on the use of 356,015 packages of A3 and A4 as a baseline, reduce usage by 12% by 2023, 20% by 2025 and 25% by 2030.

(2) 2023 Reduction Results

We have continued to push paperless administrative processes and double-sided printing, stress the use of electronic documents and announcements, and encourage employees to avoid unnecessary photocopying. We also promoted the increase of the use of car-hiring apps and controlled paper purchases and the number of sheets of paper used by printers, while Fubon Insurance used a remote video conference business promotion app (with identity-proofing and electronic signature functions). In 2023, a total of 296,520 packs of paper were used, down 16.7% (or 59,495 packs) from the 356,015 packs used in 2019.

Paper Use Management Performance ^{Note 1}	2020	2021	2022	2023	2023 Target ^{Note 2}
Copy Paper Consumption (Packs)	373,575	355,824	329,772	296,520	313,293

Note 1: Copy paper usage covers Fubon Financial Holdings, Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities, Jih Sun Commercial Bank (merged with Taipei Fubon Bank in 2023), and Jih Sun Securities (merged with Fubon Securities in 2023). The copy paper consumption totals for the years 2020, 2021, and 2022 were adjusted based on the boundaries used in 2023 using the per person method, with usage totals ending up 16.2%, 14.9%, and 11.3% higher than the original totals.

Note 2: The 2023 target was to reduce copy paper usage based on the usage of A3 and A4 copy paper in the baseline year of 2019 by 12% (or to 313,293 packs).

Paper-saving/Carbon Reduction Benefits of Digitalization

As the digitalization of financial services has become more common, Fubon's major subsidiaries have made a concerted effort to reduce the usage of paper in basic service processes. In 2023, Fubon subsidiaries combined to reduce the amount of paper used in providing services by 1,404 metric tons, which, based on the government's carbon footprint coefficient, avoided about 5,953 t/CO₂e of carbon emissions.

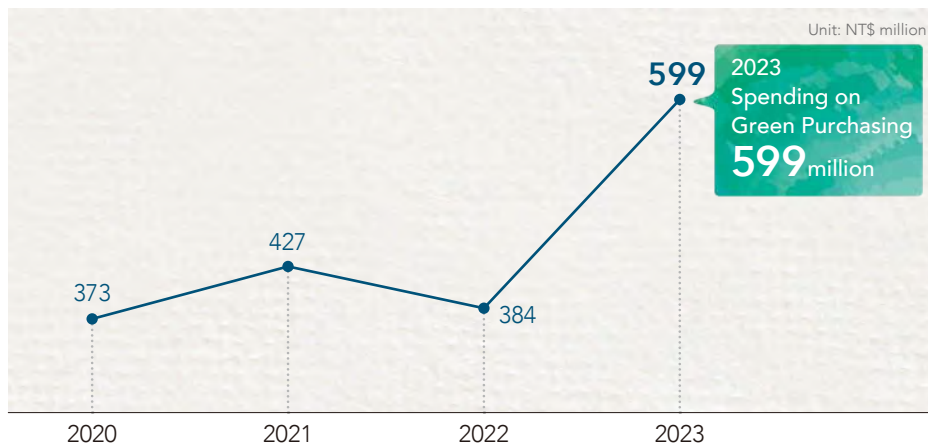
2023 Paperless Services Results	Reduction of Paper Use (Unit: metric tons)	Reduction in Emissions (Unit: t/CO ₂ e)
Fubon Life	120.485	510.855
Taipei Fubon Bank	709.759	3,009.377
Fubon Insurance	180.984	767.374
Fubon Securities	391.565	1,660.234
Fubon Asset Management	1.322	5.605
Total	1,404.115	5,953.445

Note: According to the Carbon Footprint Calculation Platform of Taiwan's Environmental Protection Administration, a kilogram of plain copy paper made from virgin wood pulp has a carbon footprint value of 4.24 kg CO₂e.

Green Purchasing

Fubon Financial Holdings actively purchases products certified with the energy conservation label, the green mark (environmental protection label), and the green building material label. In 2023, total spending on green purchases was NT\$599 million. Fubon Financial Holdings received several related honors in 2023, including being cited as an "Outstanding Green Purchasing Promoting Unit" by the Ministry of Environment and as an "Honorable Mention for Green Buying" by the New Taipei City Environmental Protection Department, and given an "Outstanding Civil Enterprise and Group in Green Purchasing" by The Taipei City Environmental Protection Department.

Spending on Green Purchasing



Green Building

Fubon Financial Holdings takes into account energy efficiency and its environmental responsibility when designing and constructing new office buildings, and continues to earn green building certification for several of its projects from the Ministry of the Interior, as listed below:

	Date Label Received
Diamond Label	
Fubon Life's Dunnan Building	2015
Fubon Life's Xinyi A10 Integrated Commercial Building	2013
Diamond Label Candidate	
New Fubon Insurance Headquarter Building project	2024
Gold Label	
Fubon Life's new project in the Xinmin area in Beitou District in Taipei	2023
Fubon Life's Fubon Xinyi A25 Integrated Commercial Building	2023
Fubon Life's Liaoning Building	2021
Fubon Life's Linsen South Road Hotel Building	2020
Bronze Label	
Fubon Life's Tongshan Street Building	2019
Fubon Life's Taichung Wenxin Office Building	2018
Certified Label	
Fubon Life's Da'an Road Hotel Building	2015

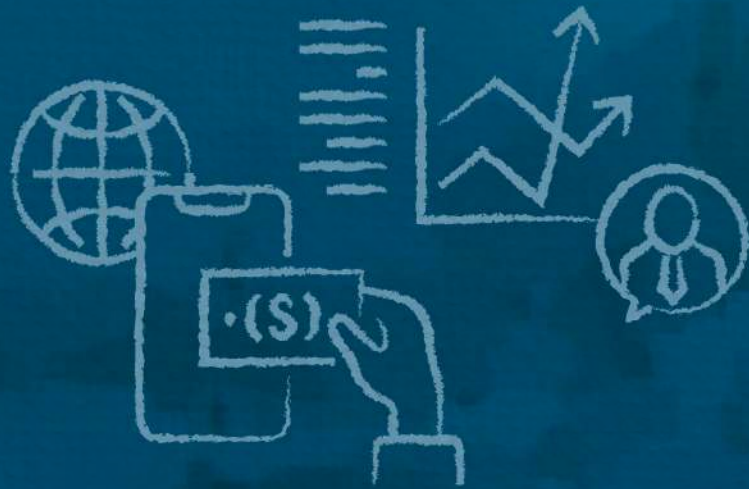
Raising Employees' Awareness of Environmental Sustainability

Fubon Financial Holdings offers incentives and promotes environmental protection through an "Environmental Protection Competition" and an "Energy Saving Competition" to deepen employees' awareness of environmental sustainability and encourage them to identify with and participate in the Company's energy conservation and carbon reduction efforts.

Competitions	Frequency	Description	Awards	Benefit
Environmental Protection Competition	Quarterly	All management buildings jointly recommend 18 people (two per building) to conduct spot inspections and assessments every quarter and make suggestions for improvement.	Outstanding floor managers and chief building managers were publicly commended at the Fubon Family Day event on Nov. 18, 2023.	The activities raised employee awareness of carbon reduction and resource conservation, and helped get them in the habit of saving power and water, sorting waste, and reducing unnecessary photocopying, improving the overall impact of the Company's environmental management.
Energy Saving Competition	Annually	Provided environmental protection training through various meetings, and reviewed the amount of energy each unit participating in the competition saved during the year.	The top 10 energy-saving units are given eco-friendly products; in 2023, products worth about NT\$73,000 were awarded.	

4

Digitalization: Providing the Best Financial Services



2023 Highlights

• Won Top Honors at Commercial Times Digital Awards

Fubon Financial
Holdings

Fubon Life

Taipei Fubon
BankFubon
InsuranceFubon
SecuritiesFubon Asset
Management

Fubon Financial Holdings won the highest honors in the Commercial Times "Digital Financial Service Awards," receiving the "Digital Financial Service Excellence Award." Subsidiaries Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities and Fubon Asset Management won a combined five Gold awards and five Excellence awards.

• Ranked in 'Top 25%' in Treating Customers Fairly evaluation

Fubon Life

Taipei Fubon
BankFubon
Securities

Fubon Life, Taipei Fubon Bank, and Fubon Securities all were ranked in the "Top 25%" tier in the Financial Supervisory Commission's 2023 "Assessment of the Implementation of Treating Customers Fairly Principles" by financial institutions.

• Teamed up with LINE Bank to forge a cross-domain financial ecosystem

Taipei Fubon
BankFubon
Securities

Taipei Fubon Bank and Fubon Securities teamed up in breaking through data sharing bottlenecks within the sector, joining with LINE Bank to forge a cross-domain ecosystem and give young customers exposure to investing through digital channels.

• 1st Bank in Taiwan - AI warning mechanism

Taipei Fubon
Bank

Became the first bank in Taiwan to install an AI warning mechanism, and joined with Taipei authorities to promote a smart, anti-fraud ecosystem.

• 1st in the industry - video insurance application service

Fubon
Insurance

Was first in the industry to introduce video conference insurance services, giving consumers a new insurance experience in the comfort of their homes.

2024 Priorities

- Continue to promote online applications for electronic notifications, electronic insurance policies, and credit cards, and increase the percentage of products applied for online.
- Continue to promote digital collaboration across Fubon subsidiaries to optimize the customer experience.

4.1 Innovative Technologies

As a strong proponent of financial technology (fintech), Fubon Financial Holdings is intent on creating outstanding fintech services and mastering the latest fintech technologies. Our fintech development is focused on innovation in five areas: making financial services more convenient, developing new products and services, lowering the environmental footprint of our services, strengthening operational efficiency and precision marketing, and maintaining customer relationships and rights.

The emergence of fintech-driven digital transformation is a key trend in the global financial sector and has highlighted the importance of developing fintech-related intellectual property. As of the end of 2023, Fubon Financial Holdings had amassed a cumulative 147 patents – 11 by the financial holding company, 50 by Taipei Fubon Bank, 23 by Fubon Life, 33 by Fubon Insurance and 30 by Fubon Securities – and the Company will continue to invest in R&D to help cement Fubon's status as the industry's leading brand.

Item	Subsidiary	Content	Results
 Making Financial Services More Convenient	Cross-subsidiary collaboration (Taipei Fubon Bank/Fubon Securities)	Taipei Fubon Bank and Fubon Securities teamed up to create one-stop account opening services, adding a service that enables users to apply for securities and digital banking accounts simultaneously. It provides a user-friendly experience by enabling data sharing to avoid repeated form filling and document uploads. Fubon Securities' online account opening system also simplifies the process for Taipei Fubon Bank customers, enabling them to get an account by authenticating their online banking password. The system also automatically considers a customer's assets with Taipei Fubon Bank in setting securities trading limits, enhancing the customer's banking-securities customer experience and risk management.	In 2023, customers opened 10,267 digital deposit accounts through the Fubon Securities platform and roughly 41,400 securities trading accounts through the Taipei Fubon Bank platform.
	Fubon Life	An "e-payment authorization" function for paying premiums, available with new policy contracts, was first launched in 2022. Then new functions that enabled the use of "online banking passwords" and "setting passwords to verify e-payment authorization" on existing contracts were added in December 2022 and March 2023, respectively, on the online trading and mobile policy websites and apps. With these functions, once online verification has been received, the process to designate an authorized premium debit account can be finalized immediately. There is no need to fill out paper authorization forms or sign documents with chops, saving the 2-3 days it usually takes to prepare and mail documents and another 3-6 days to have the bank verify the chop.	In 2023, 31,089 insurance purchasers used this digital payment authorization service.
		In September 2023, Fubon Life began using a processing platform where problems with new contracts and policy changes in contact information on record were centralized. It has several automatic processes, such as automatically calling up images of insurance policies/change applications for internal personnel to review and automatically sending notification letters to policyholders whose contact information is unclear, saving manpower and paper.	In 2023, the new platform handled 3,825 cases.
		The Automated Claims Review system automatically judges whether submitted claims meet the necessary criteria. For cases that qualify, it automatically completes the reviews and calculates the amount to be paid on the customer's claim.	In 2023, 9,885 claims were reviewed automatically.
		Blockchain medical claims service – Provides convenient claims services, allowing customers to apply to multiple groups to provide service; policyholders who agree to use the "Insurance Technology Application Sharing Platform" can submit their claims to several insurers at once through the system. It also authorizes cooperating medical institutions to transmit related medical records, creating a single-step claims application process. After adding several hospitals to the network in 2023, there are 14 medical institutions collaborating on this blockchain application.	In 2023, it was used to settle 389 claims cases.
	Taipei Fubon Bank	Taipei resident payments - Assisted the Taipei City Government in promoting the development of the smart payment platform, pay.taipei, and introduced multiple bank account payments into the TaipeiPASS app, striving to provide numerous payment tools to meet the public's digital payment needs.	In 2023, the number of bills processed through Taipei Fubon Bank's pay.taipei accounting system has exceeded 20 million, with an annual growth rate of 13%. Among them, the number of payments made by people using payment tools provided by Taipei Fubon Bank exceeded 3 million, with an annual growth rate of 54%.
		Aggressively pursued digital transformation to create an even more robust trust ecosystem. An "online payments application" function, part of the second phase of the "Trust Digital Assistant" app, was introduced in September 2023. Customers can use it to apply to pay medical bills, nursing home fees, and other bills from a trust through the online and mobile banking systems, while the trust supervisor can conduct reviews online.	Customers currently use this function about 40 times per month, successfully applying and making trust payments online without ever having to leave their homes. This function has not only saved paper, but also reduced the bank's environmental footprint and lowered its document management and storage costs.
		Introduced online applications for Costco co-branded card services on Feb. 1, 2023; through a connection with the Costco API, member information can be pre-loaded, saving customers from having to fill out fields on their screens. Services that make it no longer necessary to present financial documents have also been gradually introduced online. Customers can use their national health insurance enrollment records and property records in place of financial documents, improving the card application experience and streamlining the manual review process. To expand the customer base for digital services, the bank launched online applications for secondary Costco co-branded credit cards on Nov. 30. Customers no longer had to fill out a paper application at a branch, saving paper.	In 2023, a total of 1.65 million Costco co-branded cards, including 1,185 secondary cards, were applied for online, and the percentage of cards being applied for online reached a monthly high of 95% of total cards applied for.
	Fubon Insurance	Led the insurance industry in launching the Next2U video conference insurance service; in February 2023, the Insurance Bureau gave the service the green light after a trial run, giving consumers access to a new insurance service experience from the comfort of their homes. Using identification recognition, behavioral confirmation, and offer confirmation technologies, the system enables salespeople to help customers get insurance without ever having to meet in person. Later in 2023, the company applied to expand the service's pilot project by extending Next2U services to policies where the policyholder and insured party are different.	In 2023, the service was used 2,645 times.
	Fubon Securities	To create a more financially inclusive environment, joined with Taiwan's biggest internet-only bank LINE bank in 2023 to create the first single-step dual account opening service in the industry; the move reflected the company's commitment to provide consumers with rewarding digital financial experiences and further promote paperless account opening procedures. Through the use of a data sharing framework and API connections of dozens of types of customer information, applications can be processed in as little as 3 minutes, giving younger adults a more inviting way to enter the investment door.	As of the end of 2023, there were roughly 12,000 people who opened accounts using this system.
	Fubon Asset Management	Has offered customers the option of having gains from ETFs distributed to multiple accounts since the end of 2022; the service enables customers to complete requests online that gains be distributed, saving them transfer fees.	A total of 11,169 requests to use the service were made in 2023.

(Continue)

Item	Subsidiary	Content	Results
 Developing New Products and Services	Taipei Fubon Bank	The Nano digital investment platform was launched in 2019. The "Nano 1" portfolio of global ETFs was rolled out the same year and then "Nano 2," a portfolio of Taiwan thematic ETFs, was introduced in March 2022. Nano Investments has developed patented fintech applications built on advanced technologies from the United States and Europe, including a "fractional share trading" function introduced in July 2022 that earned a utility model patent and an automatic portfolio rebalancing system introduced in June 2023 that earned an invention patent. These exclusive technologies have paved the way for the many features, including low investment thresholds, automated investing, and expert oversight, that make the Nano investment platform stand out and foster financial inclusion.	In 2023, meanwhile, the Nano platform received 8 prestigious domestic and foreign awards and honors, and it has won a total of 33 digital innovation since its launch. As of the end of 2023, the platform had 25,997 investors with assets under management in the system totaling NT\$4.02 billion .
	Fubon Insurance	Remained intent on developing insurance technology (insurtech), with customer needs and more convenient service in mind; created a "Personal Insurance Planning System and Method" and an "Online Service Personnel Dispatchment Method and Server."	Received 2 invention patents from the Ministry of Economic Affairs' Intellectual Property Office.
	Fubon Securities	Launched the Fubon Securities Investment Services membership network at the end of 2023 that securities customers can join for free; the network, which can be accessed on the Fubon Securities website and trading platform, and on social media sites, gives customers access to insightful investment advisory services, including research on different industries and trends, regardless of the amount of assets they hold.	
 Lowering the Environmental Footprint of Our Services	Fubon Life	Usage of mobile applications for insurance services and online transaction functions continued to rise, saving paper and reducing carbon emissions; actively promoted the use of one-time written authorization for mobile applications so that users do not have to keep signing consent forms when using those apps in the future.	In 2023, mobile applications and online transactions were used a total 70,600 times , replacing applications/transactions using paper forms.
	Taipei Fubon Bank	Since June 2023, customers who had yet to apply for electronic policies have been able to choose to receive electronic endorsements when a change to a policy is made. The service means customers can receive the endorsement document approving the change(s) in real time and reduce the risk that it was not sent or was lost in the mail, while also reducing paper consumption.	As of the end of 2023, a total of 86,683 endorsement documents had been sent to customers electronically, saving 338,741 sheets of paper.
	Fubon Insurance	Continued to advocate the use of credit cards made of eco-friendly materials to reduce the environmental footprint of their production process in line with green finance and CSR principles; used polylactide (PLA) in place of polyvinyl chloride (PVC) to make the cards. PLA is a biodegradable material processed from non-edible corn that does not generate toxic gases when incinerated, and is therefore capable of reducing the harm PVC does to the environment.	In 2023, a total of 66,600 cards were issued that were made with the eco-friendly material.
	Fubon Securities	Developed an insurance service designed to make insurance purchasing paperless; simply using a bank credit card and the Mobile ID identification recognition service, policyholders can complete the insurance purchasing process after getting "device confirmation," "personal information verification," and "transaction authorization."	This service was formally given the green light by the Insurance Bureau in October 2023.
	Fubon Life	Offered 19 types of e-statement services in 2023; continued to use EDM and personalized push notifications to encourage customers to subscribe to e-statements, and the number of e-statement users has steadily risen in recent years.	A total of 19,578,229 e-statements were sent in 2023, up 20% from the number sent (16,276,972) in 2022.
 Strengthening Operational Efficiency and Precision Marketing	Fubon Life	Completed our payment operations platform in January 2023; the platform enables payment review personnel to review a wide range of documents in electronic files without the need for paper, eliminating the use of copying and the time required to scan and file paper documents.	In 2023, the system saved the use of 194,000 sheets of paper .
	Taipei Fubon Bank	Functions related to medical insurance reviews and second reviews were incorporated into the integrated claims system in June 2023; forms used in the process, such as review opinion forms and review information forms, can be accessed on a screen, and second reviews can be guided by the system without the need for paper documents.	From June to December 2023, there were 417,539 medical claims processed in the system, with each saving an average of four sheets of paper, resulting in a reduction of 1,670,156 sheets of paper and a reduction in carbon of 36,141 kg/CO₂e .
	Fubon Insurance	With the customer experience in mind, used AI machine learning technology to create 29 comprehensive product feedback models for credit cards, loans, investing, insurance and other domains; these models provide analyses of customer profiles, spending habits, the products in their portfolios and future digital journeys that inform personalized recommendations of products that can be marketed, ultimately resulting in data-driven precision marketing.	
	Fubon Life	Worked with South Korea's Hyundai Credit Card on tagging and predictive AI technologies, focusing on the use of algorithms to predict customer behavior; developed score-based tagging results, so that even if a customer did not make a purchase, the model can still predict the propensity of a customer to have a specific characteristic, offering flexibility to marketers. In 2023, Taipei Fubon Bank completed 51 tags for deposit and credit card data, and used them to create descriptions of customer segments and predictive models of product needs, and other applications are still being developed. In 2024, these results were entered into the UMa customer segment analysis platform, giving bank workers quick access to algorithm tagging results. This helped marketers identify potential customers based on specific business objectives and expand the use of data-driven precision marketing.	
	Fubon Insurance	Used Python and Hadoop to develop the ability to detect in real time changes in customer account balances, changes in assets held, spending behavior triggers, and online browsing trajectories, and also create an event-driven automated marketing system driven by data science model predictions. Aside from marketing a product or service when a customer triggers a certain behavior and the model predicts a high chance of success, the system also monitors whether customers read marketing literature and made a purchase. If contact is not initially made, the system continues efforts to communicate with the customer. This close and personalized communication has helped strengthen customer impressions and support smart marketing strategies.	In 2023, the system increased the rate at which customers open marketing EDMs and mobile bank notifications to 40% and tripled the conversion rate of these messages into sales. It also helped improve the overall marketing process.
	Fubon Securities	Continued to promote RPA (robotic process automation) technology to spur the automation of the company's processes, enabling the rapid collection, analysis, and processing of mountains of data and dramatically improve efficiency and competitiveness.	In 2023, RPA reduced manual work time by an average of 2,030 hours a month.

(Continue)

Item	Subsidiary	Content	Results
 Strengthening Operational Efficiency and Precision Marketing		In 2023, the "Digital Business Card System with Intelligent Management" and "Intelligent Digital Advertisement Management System" launched to assist salespeople to serve more customers using digital technologies. With the digital business card system, salespeople can not only directly share of personal information (such as personal profile, contact information, personal certifications) but also using built-in links to guide customers through online account setup. When the Intelligent Digital Advertisement Management System combined with LINE Sharing, enabling customized delivery of various information to customers, including a web page with investment promotions, short videos on investing, lectures on wealth management, and other visually appealing event materials.	▶ In 2023, salespeople used the digital ad system 9,011 times to send out information, resulting in 2,337 new accounts opened through the digital business card system.
	Fubon Securities	Forged a AI driven decision-making system founded on machine learning and deep learning to help manage the customer journey, systematically creating nearly 40 AI models and more than over 2,000 tags to cater to diverse customer scenarios and satisfy their increasingly exacting needs. For example, in a high interest-rate cycle environment, overseas bonds have drawn considerable interest from customers, who have left a rich trove through their actions on mobile platforms and online browsing interactions. These data automatically collected by our digital devices are called "digital footprints". Using digital footprints, AI models identified those customers' hidden needs and provided them targeted experiences that satisfied those needs through different channels. This AI driven decision-making system accurate identification of potential customers enables Fubon Securities to improve its customer conversion rate by approaching customers in channels in which they feel comfortable rather than being overly intrusive.	
		Strengthened the "platformization" of data by forging a platform dedicated to analyzing customer segments; users can select their own combination of diverse, built-in customer tags in various dimensions to lock in on target segments and track them based on key indicators. Visual charts help analyze customer patterns based on statistical benchmarking tools, enabling quick identification of target groups.	▶ As of the end of 2023, the platform had nearly 350 tags in different dimensions to filter different customer segments, and new tags, such as digital footprints and AI model predictions, were added to explore customer intentions. Also in the works is an online/offline platform that can assist with screening lists of customer groups for use in subsequent everyday scenarios tailored to people on the lists.
 Maintaining Customer Relationships and Rights	Fubon Asset Management	Introduced RPA; a complete inventory and assessment of the company's processes was done to support a comprehensive digital transformation and the automation of the company's processes.	▶ RPA reduced the manual workload of full-time employees by more than 18,000 hours in 2023.
	Fubon Life	The Fun group App addresses issues related to personal risk, such as health, exercise, and travel. It uses digital scenarios to encourage people to pay attention to their health and get into the habit of exercising in a way most suitable to them.	▶ The app had been downloaded 200,000 times by the end of 2023 and led to people participating in activities more than 1.61 million times, an average of 54 interactions per member. In October 2023, the app received 8 product and service trademarks and will continue to provide more healthy services to expand its user base.
		Introduced a Fubon Life smart customer service chatbot in April 2023; customers can interact with the text chatbot through the Fubon Life website, the policyholders' section of the website, the Fubon Life app or the Fubon Line account. By answering frequently asked questions, the AI chatbot can quickly handle large volumes of simple queries while passing off more difficult or specific questions to customer service associates. That enables customers to get answers to their questions without having to wait too long, resulting in a higher standard of service.	▶ The chatbot service had already been used more than 208,000 times by the end of 2023.
	Taipei Fubon Bank	Financial fraud and scams have been on the rise in recent years, and Taipei Fubon Bank developed an "Eagle Eye" AI anti-fraud model to safeguard customers' assets. The model, which has received a utility model patent for its key technology from the Intellectual Property Office, monitors national fraud patterns and covers more than 100 transaction risk characteristics. It has two main functions – judging/identifying suspicious transactions and rating account risk – that are designed to accurately predict abnormal transaction activity and detect potential fraud early.	▶ The bank has continued to optimize the model since its inception, and its accuracy in 2023 exceeded 60% at its peak, saving a considerable amount of processing time. At the same time, 848 suspicious accounts with more than NT\$33.91 million in funds were blocked, safeguarding the security of customer transactions online and offline.
		The optimization-for high frequency transactions in terms of better user interface and user experience with 19-inch large-screen ATMs has been done in 2023, including withdrawals, transfers, deposits, and balance inquiries. The revamp has increased the size of the font and buttons and highlighted the contrast between colors to assist the elders and visually impaired individuals in using ATMs friendly. The optimization for the rest of transactions will be done in 2024.	
	Fubon Insurance	Introduced a "PeaceAssure Location Tracking Service" service in August 2023 to provide even more attentive service at accident sites; customers can use a specific link to find out where the customer service agent is (on the way to the scene), how many kilometers away they are, and when they are expected to arrive. The customer can also contact the agent and transmit information and photos to keep the agent up to date on the situation.	
		Introduced an "AI Voice Robot" service that combined natural language processing (NLP), text to speech (TTS) and automatic speech recognition (ASR) technologies; after customers call in, they can tell the robot the reason for the call or the service they need, and the robot will provide an appropriate answer. It will also directly provide an explanation of the service, reducing the chance of the customer getting lost in the phone menu system while enhancing the customer experience.	
	Fubon Securities	In 2023, Fubon Securities' smart customer service system designed a large number of "picture card question groups" to introduce frequently asked questions, providing a menu enabling customers to select areas of advice they need. The system narrows down the scope of customer questions and simplifies typically lengthy explanations and content, avoiding divergent and inefficient replies and quickly meeting customers' needs.	▶ As of the end of 2023, the smart customer service system had been used 518,000 times, exceeding the capacity of the human customer service system by 3.7-fold.
		The Fubon Securities website has a section dedicated to fraud prevention, proactively assisting customers in stopping fraud to make money flows more secure and protect the legal economy.	
	Fubon Asset Management	The company's website has set up an anti-fraud section that helps customers in stopping fraud, making money flows more secure and protecting the legal economy.	

4.2 Customer Relationship Management

Fubon Financial Holdings puts a high priority on financial consumer protection and has embraced Treating Customers Fairly Principles and personal information protection management as core values and part of its corporate value system and code of conduct. Compliance training for employees has also been strengthened to increase consumer confidence in the company and ensure its sustainable development.

4.2.1 Treating Customers Fairly

To ensure that Treating Customers Fairly Principles are effectively implemented throughout the Fubon Financial Holdings organization, each of its subsidiaries have established a Treating Customers Fairly Policy, a Treating Customers Fairly Strategy, and related guidelines. The policy is also incorporated into education and training programs, which are provided on a regular basis. The results of these programs are presented for review at an annual meeting of senior executives and then reported to the board of directors to facilitate timely revisions of the Treating Customers Fairly Strategy.

Subsidiaries' Implementation of Treating Customers Fairly Principles in 2023

	Fubon Life	Taipei Fubon Bank	Fubon Insurance	Fubon Securities	Fubon Asset Management
 Treating Customers Fairly Policy	Fubon Life's Treating Customers Fairly Policy	Taipei Fubon Bank's Treating Customers Fairly Policy	Fubon Insurance's Treating Customers Fairly Policy	Fubon Securities's Treating Customers Fairly Policy	Though the company has yet to create a dedicated TCF section on its website, it has complied with legal provisions set by the Financial Supervisory Commission to establish Treating Customers Fairly Principles and implement them.
 Management Mechanism	- Board of directors passed revisions to the Treating Customers Fairly Policy and Strategy. - The board of directors approved the establishment of the "Organizational Charter for the Treating Customers Fairly Committee." - The "Treating Customers Fairly Committee" meets quarterly to track the progress made on different issues and shall report the results to the board of directors and the Sustainable Development Committee.	- Treating Customers Fairly update presented to the board of directors quarterly. - The "Senior Management Treating Customers Fairly Meeting," held every other month, invites independent directors to take part in the meetings and provide guidance on the Treating Customers Fairly Policy and planning of related tasks. - A "Treating Customers Fairly Committee" meeting is held monthly. Based on the principles of the three lines of defense, the TCF organizational framework and division of responsibilities are clearly laid out to strengthen practices in every area. - The Treating Customers Fairly Department was made responsible for coordinating and managing customer complaint cases starting in 2023. The department reviews cases, optimizes measures in place and follows up on the results.	- A "Treating Customers Fairly Committee" meeting held quarterly, with the results reported to the board of directors. - Created a senior management responsibility chart and accountability mechanism to ensure that TCF ethical management principles are best practice principles. - Reorganization of the Treating Customers Fairly Committee: The committee was optimized based on the concept of the "customer journey; originally two functional teams, the "Complaint Case Improvement Tracking Team" and the "Treating Customers Fairly Promotion and Implementation Team," were under the committee. That was increased to five under the new organizational set-up – the "Product and Underwriting Team," "Business and Channels Team," "Customer Feedback and Complaint Team," "Assessment and Strategic Planning Team," and "Treating Customers Fairly Support Team." An executive secretary position was also set up (to be held by the head of the Legal & Compliance Department.)	The "Sustainable Development Committee" was formed on Dec. 21, 2023; starting in 2024, the Treating Customers Fairly Committee" is required to submit a quarterly report to the Sustainable Development Committee on how well the Treating Customers Fairly Principles are being carried out. The Treating Customers Fairly Committee continued to focus on handling TCF-related issues.	- Board of directors approved a "Treating Customers Fairly Policy" in 2016. - The Sales Marketing Division (a dedicated department) and its division-level vice president are responsible for planning and promoting Treating Customers Fairly Principles. The Sales Marketing Division oversees the implementation of Treating Customers Fairly Principles by business departments, and those efforts are reviewed and improvements suggested at division meetings. The division must also report on its work every year to the board of directors. - Using the "Points of Emphasis for Financial Institutions in Implementing Treating Customers Fairly Principles" as a reference, the Sales Marketing Division does a self-assessment of its performance in carrying the TCF Principles, engaging in self-oversight and drawing up improvement measures. - Customer needs must be considered when providing financial product transactions or services; financial consumers should be treated in a fair and reasonable way based on provisions in financial consumer protection laws such as the Securities Investment Trust and Consulting Act and the Financial Consumer Protection Act, and the 10 major strategic principles should be complied with.
 Education and Training	- Organized two 90-minute continuing education sessions for board directors (6th and 7th boards); all directors received a certificate of hours completed issued by the Taiwan Insurance Institute. - Held two hours of continuing education classes for upper management; a total of 108 managers from the department level to the company president participated. - Fubon Life employees took part in training 40,519 times – 36,512 times by outside agents and 4,007 times by office staff. They totaled 121,557 training hours. - Organized three major three-hour-long specialized seminars, with a total of 669 people participating. They totaled 2,007 training hours.	Courses for employees on the Treating Customers Fairly Principles, guidelines on accessible financial services, and consumer protection organized; in 2023, employees attended training classes 18,608 times for a total of 75,444.16 hours of training.	- All units completed "compliance/TCF training" and employees with the highest scores in an online test were commended. - Organized "Compliance and TCF Month" activities, including a "TCF ambassador tug of war," online quizzes, and education and training sessions, raising employees' Treating Customers Fairly awareness. - Employees took part in TCF training sessions 2,858 times for a total of 13,801 hours.	Completed Treating Customers Fairly courses and education programs on handling customer complaints in 2023; people took part a total of 10,020 times, completing 14,602.5 hours of training.	- Completed Treated Customers Fairly education and training, and self-assessments of relevant units are done on a regular basis. - Employees took part in TCF training sessions 245 times for a total of 649 hours.

4.2.2 Personal Information Protection

Framework and Policy

Protecting the personal information of customers is one of Fubon Financial Holdings' highest priorities. We have established the Fubon Financial Co., Ltd. and Subsidiaries Personal Information Protection Policy, which clearly stipulates the responsibilities and obligations of employees in handling and protecting personal information, and posted a "Privacy Statement" on our website, informing customers of their rights and the measures taken to protect the confidentiality of their personal information. If a breach of personal information occurs, the case is to be handled and reported based on the Personal Data Protection Act and the Fubon Financial Holding Co., Ltd. and Subsidiaries Operational Risk Reporting and Management Guidelines. If a case reaches the media, the media strategy should be handled based on the "Fubon Financial Holding Co., Ltd. and Subsidiaries Principles for Media Crisis Management."

To ensure the protection of personal information, the "Personal Information Protection and Supervision Committee" set up under Fubon Financial Holdings' Risk Management Committee oversees the protection and management of personal information by the financial holding company and its subsidiaries. It reports on personal information protection issues to the Risk Management Committee on a quarterly basis. Each unit conducts a semi-annual self-check of its internal controls and compliance practices and a self-assessment of compliance issues, and auditing units check on a regular and irregular basis how effectively each unit is managing personal information protection.

Following the EU's implementation of the GDPR (General Data Protection Regulation), Fubon Financial Holdings and its four main subsidiaries set up a GDPR privacy protection mechanism. Taipei Fubon Bank, Fubon Life, and Fubon Insurance also sought to align themselves with the GDPR and received certification under the BS10012:2017 Personal Information Management System (PIMS) standard. Fubon Insurance began in 2022 to expand its scope of certification and verification to remote video conference sales activities and newly expanded branches around Taiwan. A total of 21 branches are expected to be added within three years. Fubon Life has piloted a range of new digital offerings in recent years, reflecting the financial sector's digital transformation and the company's ongoing effort to provide policyholders better and more diverse services. In 2023, several of these pilot services came under the scope of PIMS certification, and all obtained certification. These include the Fubon Life M+ video insurance application service (Taipei Fubon Bank channel), Sign Mobile Insurance Consent Form online, Claim adjust Blockchain 2.0, Expand the scope of the Mobile ID identity verification process to confirm insurance policy changes in lieu of phone calling, and Fubon life insurance company provides the convenient service that insured inquires content of specific health product through the APP of NHI.

In response to the growing demand for digital services, Fubon Financial Holdings subsidiaries use big data analysis to provide the best possible customer experience based on customers' needs. All uses of the data and related marketing activities are handled in accordance with the Personal Data Protection Act and internal operating rules to safeguard the rights and interests of customers and the security of their personal information. In 2023, 49.2% of customer information was used by Fubon subsidiaries at least twice.

Communication and Education

If a customer suspects their personal information has leaked, they can report their suspicions through the customer service center or website mailbox or at a local office. The department that receives the complaint will notify the responsible operational risk department or a related unit. Several steps have been taken to cultivate and strengthen Fubon employees' professional knowledge and abilities related to protecting customer information. Training in this area is provided to all Fubon employees on a regular basis, and resources are continually invested in publicizing the latest regulatory directives to instill both awareness of and concepts related to personal information protection into the company culture and daily tasks. When an employee violates the personal information protection management policy, the individual is punished based on human resources regulations and the severity of the offense.

Complaint Processing and Ongoing Improvement

In 2023, there were 60 formal personal information complaints filed by customers internally and externally.

Personal Information Complaints	Total	No. of Confirmed Cases ^{Note}	Outcomes
Internal Units (customer service center, website, service location)	20	1	Cases handled appropriately; the individuals who were negligent were disciplined according to the rules; test scenarios used to verify internal systems were strengthened to ensure they are comprehensive and precise; education on personal information protection was also reinforced.
External Units (incl. the Financial Ombudsman Institution)	17	3	
Regulatory Authorities	23	0	

Note: The term "confirmed cases" refers to a situation in which there was evidence confirming that it violated the Personal Data Protection Act or personal information protection regulations, directives, administrative rules, or legal interpretations issued by regulatory authorities.

4.2.3 Customer Satisfaction and Complaints

Fubon Financial Holdings takes several steps to better understand the needs of its customers and improve customer satisfaction, including conducting satisfaction surveys related to its full range of services and continuously gathering and compiling customer reaction and feedback. Through these approaches, Fubon has been able to get closer to its customers and provide services that exceed their expectations, helping it become the benchmark for outstanding financial services.

Customer Satisfaction

To improve the quality of service and satisfy customers' needs, Fubon Financial Holdings subsidiaries conduct annual satisfaction and net promoter score (NPS) surveys of active customers from the previous year. The goal is to achieve a satisfaction rate of 90% by 2025, and Fubon hopes to use feedback from the surveys to inform improvements. In 2023, Fubon Financial Holdings customers had an overall satisfaction rate of 83.4% and a relational NPS of 29.8 points. More effort will be made in the future to get a better gauge of the quality of customer service, which demonstrates our commitment to putting the customer first.

Fubon Financial Holdings and Subsidiaries Customer Satisfaction Surveys & Net Promoter Score (NPS) Surveys

	Customer Satisfaction (%)					NPS Scores	
	2020	2021	2022	2023	2023 Goals	2022	2023
Fubon Financial Holdings	83.0	86.5	75.1	83.4		13.7	29.8
Fubon Life	85.8	93.3	76.0	92.4		19.3	52.0
Fubon Insurance	84.0	85.6	77.3	83.7	88%	14.3	26.0
Taipei Fubon Bank	79.2	85.9	73.0	86.0		13.7	47.5
Fubon Securities	82.4	88.0	73.7	78.0		8.30	30.3

Note: Survey coverage 100% for Fubon Financial Holdings and subsidiaries Fubon Life, Fubon Insurance, Taipei Fubon Bank and Fubon Securities.

Results of Fubon Financial Holdings and Subsidiaries Initiatives to Boost Customer Satisfaction

Initiatives	Company	2023 Action Plans	Results
 General Financial Holding Company Satisfaction Survey	Fubon Financial Holdings	Annual satisfaction survey of four main subsidiaries' products and quality of service conducted.	Overall financial holding company satisfaction 83.4% ; the net promoter score was 29.8 points .
 Real-time Satisfaction Surveys	Taipei FubonBank	Satisfaction surveys conducted at points of contact on an ongoing basis; the surveys examine and analyze causes of customer dissatisfaction and provide a basis for improving processes.	Conducted surveys to gauge satisfaction with eight different types of services in real time; percentage of responses of "satisfied" or above was 94.2% .
 Mystery Shopper Audits/Service Reviews	Fubon Life	Professional consulting firm commissioned to conduct the audits annually; results used to strengthen the quality of service provided by Fubon Life staff at retail locations and enhance customer satisfaction.	Overall average satisfaction and implementation rate in 2023 were both 97.54 points , up 1.5 points from 2022.
	Taipei FubonBank	Has nurtured a professional team of "service experience officers," who conduct service checks on site at bank branches to get a better understanding of the quality of service, identify problems, and make improvements; the team regularly reports to the "Bimonthly Service Quality Meeting."	More than 200 calls made to customer service and around 202 visits made to branches to check service during the year; checks of branches had an average score of 83.08 .
	Fubon Securities	Professional consulting firm commissioned to conduct audits annually.	On-site checks and phone service checks conducted at 59 branches in 2023, with average scores of 86.1 and 84.2 , respectively.
 Key Business Service Satisfaction Surveys	Fubon Life	Surveys on "Overseas Emergency Services" and "Telephone Inquiry Services" conducted.	All 79 Fubon Life overseas emergency rescue services beneficiaries surveyed, satisfaction was 100% (goal was 95%); 20,624 customers surveyed on their satisfaction with inquiries made – 98.6% were "satisfied" or above (goal was 92%).
	Taipei FubonBank	Surveys covering customer satisfaction with digital platform conducted.	Internet banking satisfaction at 92.88% ; Mobile banking satisfaction at 88.98% .
	Fubon Insurance	Continued to improve claims satisfaction and roadside assistance satisfaction surveys.	Satisfaction with motor claims service in 2023 was 84.49% .
 Service Quality Awards	Fubon Insurance	Treating Customers Fairly Ambassador selected yearly.	A Treating Customers Fairly Ambassador selected and honored to encourage employees to make Treating Customers Fairly practices part of their daily job.
	Fubon Securities	Get certification under the ISO 10002 quality management standard for handling customer complaints.	Obtained certification under the ISO 10002 quality management standard for handling customer complaints in 2023; devised standardized customer complaint handling procedures and a tracking timetable. A case resolution mechanism featuring independent personnel ensures that every customer complaint case is properly handled.

Diverse, Convenient Customer Feedback Channels

Each Fubon Financial Holdings subsidiary has set up a variety of channels to handle customer questions in real time and provide timely service. These channels help customers solve problems and respond to their needs, tightening the bond between Fubon and its customers.

Subsidiary		Fubon Life	Taipei Fubon Bank	Fubon Insurance	Fubon Securities	Fubon Asset Management
Responsible Unit		Customer Rights and Interests Department	Customer Care Department (Renamed Treating Customers Fairly Department in September 2023)	Legal Affairs Department	Retail Business Administration Department and Digital Finance Department	Sales Marketing Department
Channel	Hotline	Customer feedback hotline: 0809-000-120	- Banking Service hotlines: 02-8751-6665 - Credit cards Service hotlines: 02-8751-1313 - Seniors Care and Complaint Hotline: 02-6600-8890	24-hour toll-free customer service hotline: 0800-009-888	- Service hotlines: 0800-073-588 / 02-8178-3018 - Seniors hotline: 0800-058168 / 02-25011858	0800-070-388
	Mailbox	complaints.life@fubon.com	csr@fubon.com	-	-	-
	Website	Online customer service center	- Website comments - Digital customer service	Fubon Insurance website customer service mailbox	-	-
	Locations	Service offices around Taiwan	Branches around Taiwan	Business offices around Taiwan	Branches around Taiwan	Business offices around Taiwan
	Others	Written feedback/complaints can be sent to: 13F., No. 236, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei City	All branches in Taiwan have set up a "Real-time feedback QR Code" that customers can scan and then use to provide feedback	-	-	8F., No. 108, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City
Cases		1,930 cases	1,660 cases ^{Note}	4,312 cases	68 cases	8 cases
Handling Status		100%	100%	100%	100%	100%
Improvements Made		Raised 685 service issues with different departments for discussion; adjusted practices based on 229 of them to help disputes from reoccurring.	- Major customer complaint cases are reported monthly at a "Protection of Customers Rights and Interests Meeting"; causes of customer complaints compiled and analyzed on a regular basis and corresponding improvement plans developed. - Actual case studies incorporated into training materials as part of ongoing efforts to further improve the handling of complaints, build a Treating Customers Fairly culture, and avoid complaints on the same issues from reoccurring. - Introduced a "Digital Customer Complaint Handling System" that automates the process for dealing with customer complaints; it can update how far along the case is in real time, improving the quality of service.	- Continued to strengthen claims training and uploaded special online training courses to deal with the COVID-19 pandemic; from August 2020 when the courses first went online to the end of 2023, 13 specialized courses had been posted. - Organized 49 lectures on auto insurance loss prevention to raise public awareness of proper driving and auto insurance concepts.	The Customer Complaints Committee meets monthly, and a customer complaint management review is held every six months to see that ISO 10002 standards on handling customer complaints are being followed; strengthened the participation of senior managers and the communication between department managers. At the meetings, possibilities for optimizing customer service are discussed on a case-by-case basis, and senior managers monitor the results of any initiatives. Data on customer complaints is collected on a regular basis, and customer, product, channel and service data is analyzed every month and quarter to help identify opportunities for improvement.	- Major complaint cases are reported and handled on a case-by-case basis. - When a customer complaint case arises, the unit involved is given feedback and appropriate adjustments are made to prevent incidents from recurring. In 2023, customer complaint cases were down 50% from 2022.
Industry Performance		- The ratio of appeal cases (including claim and non-claim appeal cases) filed with the Financial Ombudsman Institution ("FOI") was 0.05100498 per 10,000, the second lowest among Taiwan's 22 life insurance firms. Ranked in the "Top 25%" tier in the Financial Supervisory Commission's 2023 assessment of Treating Customers Fairly Principles implementation.	4.64% of all cases against the banking sector heard by the Financial Ombudsman Institution for resolution were against Taipei Fubon Bank. Ranked in the "Top 25%" tier in the Financial Supervisory Commission's 2023 assessment of Treating Customers Fairly Principles implementation.	Number of cases against Fubon Insurance that went to the Financial Ombudsman Institution for resolution was 0.58661381 per 10,000 Fubon Insurance customers.	4.82% of all cases against the securities sector heard by the Financial Ombudsman Institution for resolution were against Fubon Securities. - The staff answered 13,800 calls in 2023. Ranked in the "Top 25%" tier in the Financial Supervisory Commission's 2023 assessment of Treating Customers Fairly Principles implementation.	No cases filed with the Financial Ombudsman Institution in 2023.

Note: Based on number of cases in which customers complained about financial products.

5

Empowerment: Fostering a Friendly, Healthy Workplace



2023 Highlights

- **The First “Merger of Two Financial Holdings” in Taiwan's Financial History**

Following the merger between Fubon Financial Holdings and Jih Sun Financial Holdings, their two unions also merged, setting a good example for mergers in the financial sector.

- **ESG Training Program**

Continued to promote our “ESG Training Program” at all levels of the organization to forge a consensus on ESG among our entire workforce.

- **Parenting-friendly Workplace Award**

Continued to prioritize childbirth and child raising measures; received a “Parenting-friendly Workplace Award” from *CW Parenting* magazine.

2024 Priorities

- Remain a constituent of the Taiwan Stock Exchange's Taiwan High Compensation 100 Index and of Bloomberg's Gender Equality Index.
- Continue to promote childbirth and child raising measures and a full range of health and well-being activities to foster a happy workplace founded on diversity, equity, and inclusion.



5.1 Diversity, Equity, Inclusion

5.1.1 Employee Demographics and Workplace Equality

Fubon Financial Holdings has fostered a workplace environment for all of its people (including 37,829 employees and 794 non-employees) built on mutual respect and diversity, equity, and inclusion (DEI). Because Fubon's operations are based primarily in Taiwan, nearly 100% of its employees and executives are Taiwanese nationals. We are committed to caring for all individuals (employees and non-employees) and respecting minorities and differences between individuals and groups. The progress made on implementing our workplace programs in 2023 is outlined below:

- 347 foreign nationals lawfully employed across eight countries and territories; they are given help in getting acclimated to the workplace environment based on provisions in the "Regulations on the Permission and Administration of the Employment of Foreign Workers."
- 424 people with disabilities employed, accounting for 1.1% of the workforce; total was 48 more than required by law.
- 273 Indigenous people employed, accounting for 0.7% of the workforce; they get "Indigenous festival leave," which allows them a day off of their own choosing to return home for special Indigenous ceremonies.
- Fubon Life encouraged people to re-enter the workforce, established rules on incentives for Indigenous employees, and provided an income protection and benefits plan for employees with disabilities.
- Installed gender-neutral and accessible bathrooms in main Fubon office buildings, further fostering diversity and inclusion awareness among employees.

Fubon Financial Holdings supports the United Nations sustainable development goals (SDGs) of gender equality, and treats men and women equally when recruiting, hiring, cultivating, or promoting people. As of the end of 2023, the number of women and men across different Fubon Financial Holdings metrics remained balanced, and Fubon was selected in 2022 and continued to participate in Bloomberg's Gender Equality Index, indicating that a gender-friendly workplace environment has taken root.

2023 Employee Distribution

Based on type of contract		Taiwan		Overseas		Total	
		No.	Share of Total (%)	No.	Share of Total (%)	No.	Share of Total (%)
Employees with Indefinite Contracts	Male	13,998	37.6	138	38.0	14,136	37.6
	Female	23,228	62.4	225	62.0	23,453	62.4
	Total	37,226	-	363	-	37,589	-
Employees with Fixed-term Contracts	Male	103	42.9	0	0.0	103	42.9
	Female	137	57.1	0	0.0	137	57.1
	Total	240	-	0	-	240	-
Total		37,466	99.0	363	1.0	37,829	-

Note: 1. Fixed-term employees include interns, part-timers, and massage specialists.

2. There are 18,706 Fubon Life outside sales agents.

Based on type of contract		Taiwan		Overseas		Total	
		No.	Share of Total (%)	No.	Share of Total (%)	No.	Share of Total (%)
Full-time Employees	Male	7,121	38.0	138	38.0	7,259	38.0
	Female	11,607	62.0	225	62.0	11,832	62.0
	Total	18,728	-	363	-	19,091	-
Part-time Employees	Male	6,980	37.3	0	0.0	6,980	37.3
	Female	11,758	62.7	0	0.0	11,758	62.7
	Total	18,738	-	0	-	18,738	-
Total		37,466	99.0	363	1.0	37,829	-

2023 Distribution of Non-employees

Gender	Taiwan		Overseas		Total	
	No.	Share of Total (%)	No.	Share of Total (%)	No.	Share of Total (%)
Male	129	16.2	0	0.0	129	16.2
Female	665	83.8	0	0.0	665	83.8
Total	794	-	0	-	794	-

Note: The term "non-employee" refers mainly to temporary workers from manpower agencies whose work generally involves administrative tasks and word processing. The Company has established "Guidelines for Managing Temporary Workers" to safeguard the principles on how workers should be treated and clearly define the rights and obligations of temporary workers while working at the Company.

2023 Employee Distribution

Item		Managers		Non-managers		Total Employees	
		No.	Share of Total (%)	No.	Share of Total (%)	No.	Share of Total (%)
Male	Under 30	589	7.1	2,986	10.1	3,575	9.5
	30-50	1,991	23.9	5,610	19.0	7,601	20.1
	Over 50	1,075	12.9	1,988	6.7	3,063	8.0
	Total	3,655	43.9	10,584	35.9	14,239	37.6
Female	Under 30	462	5.5	3,731	12.7	4,193	11.1
	30-50	2,425	29.1	11,042	37.4	13,467	35.6
	Over 50	1,793	21.5	4,137	14.0	5,930	15.7
	Total	4,680	56.1	18,910	64.1	23,590	62.4
Total	Under 30	1,051	12.6	6,717	22.8	7,768	26.3
	30-50	4,416	53.0	16,652	56.5	21,068	71.4
	Over 50	2,868	34.4	6,125	20.8	8,993	30.5
Total		8,335	22.0	29,494	78.0	37,829	-

↑ Distribution of Female and Minority Employees

Description		Share of Total (%)		
		2021	2022	2023
Female	Total female (employees share of total employees)	61.9	62.5	62.4
	Female managers (share of total managers)	55.9	56.1	56.1
	Share of women in top manager positions	41.8	42.3	41.8
	Share of women in junior manager positions	57.2	57.5	57.6
	Share of women in management positions in revenue generating functions	57.0	57.5	57.5
	Share of women in STEM (science, technology, engineering, mathematics)-related positions (as % of total STEM positions)	51.7	51.9	51.4
	Share of women in non-managerial positions	63.9	64.3	64.1
	Share of new hires who are women	56.4	55.9	57.6
Others	Foreign national employees	0.8	0.8	0.9
	Employees with disabilities (share of total employees)	1.2	1.1	1.1
	Indigenous employees (share of total employees)	0.7	0.7	0.7

Note: 1. 2030 goals: Female employees at least 50% of the total workforce and at least 45% of all managers.

2. Junior manager positions refer to managers at the section level; top manager positions refer to all managers from department-level managers to company president.

3. Because of the special nature of the jobs of Fubon Life's outside sales agent and because fixed-term contract workers are mostly hired for the short-term depending on the annual needs of the business, neither category of worker was included in the figures above.

↑ Distribution and Share of Employees Who Are Foreign Nationals (Share of total employees/share of total managers)

National	2022				2023			
	Employees	% of Total Employees	Managers	% of Total Managers	Employees	% of Total Employees	Managers	% of Total Managers
Taiwanese Nationals	35,328	99.21	8,108	99.67	37,482	99.08	8,305	99.64
Hong Kong Citizens	125	0.35	14	0.17	160	0.42	17	0.20
Vietnamese Nationals	97	0.27	4	0.05	107	0.28	4	0.05
Singaporean Nationals	46	0.13	8	0.10	66	0.17	8	0.10
Other non-Taiwanese Nationals	12	0.04	1	0.01	14	0.05	1	0.01
Total non-Taiwanese Nationals	280	0.79	27	0.33	347	0.92	30	0.36

Note: In 2023, the Company had 347 employees who are foreign nationals from eight countries and territories, including Hong Kong, Vietnam, Singapore, Malaysia, China, South Korea, and the United States. (The countries or territories listed are those from which at least 10 foreign employees came in either 2022 or 2023.) Of the total, 30 were managers, or 8.6% of the total (30 managers/347 employees).

5.1.2 Talent Recruiting

Fubon Financial Holdings relies on a wide range of recruitment channels and publicity methods to attract outstanding talent. It also continues to support work-study programs, and those who perform especially well in those programs or in internships are given priority for full-time positions with Fubon. In 2023, a total Of 2,558 new

employees joined Fubon, accounting for 13.5% of the total workforce. The majority were either members of the younger generation under 30 years of age or professionals with strong work experience aged 30 to 50.

↑ New Hire Demographics and Recruiting Costs

Description		2020		2021		2022		2023	
		No	Share (%)	No	Share (%)	No	Share (%)	No	Share (%)
New hires		1,534	10.0	1,773	11.5	2,257	14.3	2,558	13.5
Gender	Male	700	4.6	773	5.0	996	6.3	1,084	5.7
	Female	834	5.5	1,000	6.5	1,261	8.0	1,474	7.8
Age	Under 30	809	5.3	910	5.9	1,085	6.9	1,139	6.0
	30-50	674	4.4	813	5.3	1,081	6.8	1,297	6.9
	Over 50	51	0.3	50	0.3	91	0.6	122	0.6
Position	Top managers	14	0.1	5	0.0	7	0.0	8	0.0
	Junior managers	38	0.2	34	0.2	31	0.2	48	0.3
	Non-managers	1,482	9.7	1,734	11.2	2,219	14.1	2,502	13.3
Cost of recruiting new hires per person (NT\$)		15,503		13,785		11,864		11,626	

Note: Because of the special nature of the jobs of Fubon Life's outside sales agent and because fixed-term contract workers are mostly hired for the short-term depending on the annual needs of the business, neither category of worker was included in the figures above. In 2023, the denominator to determine new hires as a share of the total workforce was 18,883 people.

5.2 Human Rights and Communications

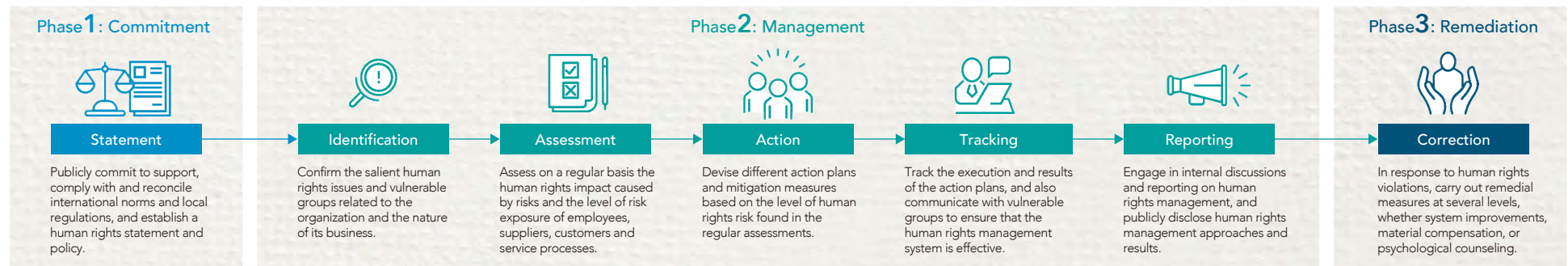
5.2.1 Human Rights Commitment and Management

To protect the fundamental human rights of its employees, Fubon Financial Holdings has fostered an environment protective of human rights based on the "protect, respect and remedy" framework outlined in the United Nations Guiding Principles on Business and Human Rights. The Company also supports and complies with the Universal Declaration of Human Rights, the Global Compact, International Labor Organization conventions, the Principles for Responsible Investment, the Equator Principles, and local laws, and is dedicated to eliminating any behavior that infringes on or violates the human rights of others so that everyone is treated fairly and with dignity.

Spirit of Fubon's Human Rights Policy

Fubon Financial Holdings supports and puts into practice a Human Rights Policy that stresses diversity and inclusion and treating employees with a respectful attitude. Any individual with the requisite ability and qualifications for a position shall not be treated unfairly or discriminated against based on nationality, race or ethnicity, social class, language, ideology, religion, political affiliation, ancestral home, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, disabilities, or any other factors.

Fubon Human Rights Due Diligence Process



Confirm the salient human rights issues and vulnerable groups related to the organization and the nature of its business ^{Note 1}

Fubon's Role	Salient Issues	Vulnerable Groups	Management Approach	Risk Level	Percentage at Risk
Employers	Workplace health	Employees who work long hours and feel they have musculo-skeletal issues.	Ergonomic self-assessment surveys conducted.	Medium	5.62% (1,075/19,123)
	Forced labor (Excessive Work Hours) ^{Note 2}	All employees	Every department's overtime is reviewed monthly, and supervisors adjust work assignments as appropriate. If overtime is necessary, it has to be agreed to by employees.	Medium	2.43% (464/19,123)
	Workplace safety	All employees	Keep statistics of occupational injuries/ deaths.	Medium	0.23% (44/19,123)
	Workplace equality	All employees, non-employees (temporary workers)	- Employee grievance and feedback system in place. - Surveys conducted on unlawful harassment in the workplace. - The Company strives to maintain pay equity by referring to market pay standards and creating pay structures based on the skills and experience required for each position.	Medium	0.08% (16/19,917) ^{Note 3}
	Harassment	All employees, non-employees (temporary workers)	Sexual harassment formally investigated.	Medium	0.01% (1/19,917) ^{Note 3}
	Protection of women	Female employees who are pregnant or have given birth in the past year; people in the relatively high Tier 2 and Tier 3 risk levels.	Telephone or questionnaire surveys conducted.	Medium	0.01% (2/19,123)
	Child labor	Interns	Review candidates' resumes or their ID when they report for work.	Low	0%
	Freedom of association	All employees	- Employees can freely decide to join a union. - Quarterly labor-management meeting held.	Low	0%
Overall Risk					8.38%

Note 1: Fubon Life's outside sales agents are not included in these figures because of the special nature of their jobs.

Note 2: Excessive work hours defined as applying for more than 40 hours of overtime in a single month.

Note 3: Non-employees (temporary workers) are including among the groups receiving gender equality and anti-harassment workplace protections; "percentage at risk" levels based on total employees + non-employees at the end of 2023, totaling 19,917 people.

To forge a workplace environment free of discrimination and harassment, Fubon Financial Holdings has publicly issued a "Human Rights Policy" and an "Anti-Discrimination and Anti-Harassment Statement." Internally, it has also established "Employee Complaint and Handling Guidelines" and a "Plan to Prevent Unlawful Harassment in the Workplace." Employees and non-employees (temporary workers) who are harassed in the workplace or who are interfered with as they do their jobs, affecting their personal disposition and freedom, dignity, physical and mental health, or safety, may file a complaint. Company rules clearly lay out the complaint process and handling procedures. For employees who may face human rights risk issues, Fubon provides corresponding mitigation and remedial measures.

To ensure that individuals in Fubon workplaces are free from sexual harassment, the "Guidelines for Investigating Sexual Harassment Complaints and Disciplining Offenders" established by the Company are applied to all employees and non-employees (temporary workers, job applicants). A sexual harassment committee that coordinates the handling of all sexual harassment complaints across the organization has been created at the financial holding company level. Within seven days of a formal complaint being filed, a task force under the committee is set up to investigate the case. The task force, made up of three or more people, consists of sexual harassment committee members and other individuals in positions of authority designated by the committee's chairman. The task force submits a report for the committee to review, and cases are to be brought to a conclusion within two months.



For more on the "Human Rights Policy" and "Human Rights Management Framework," please see the "Sustainability" section of Fubon Financial Holdings' website.

In 2023, Fubon Financial Holdings’ human rights risk assessment found that 8.38% of its employees were exposed to human rights risks, down slightly from 2022. To mitigate those risks, Fubon has continued to implement mitigation plans in different domains for each type of risk at all of its business locations. A description of the Company's mitigation and remedial measures for various human rights issues are detailed below:

Remedial Measures for Groups Vulnerable to Human Rights Issues

Issue	Mitigation Measures	Remedial Measures
Workplace Health	- Established an "Occupational Safety and Health Management Plan" to comply with the government's "Regulations Governing Occupational Safety and Health" that standardized procedures for investigating and handling work-related injuries, health hazards, illnesses, and accidents. - All Fubon employees get a free physical check-up once every two years, helping employees get a clear picture of their health. - Ergonomic hazard self-assessment surveys conducted on a regular basis to see if employees feel musculoskeletal symptoms or pain.	- Hospitals that cooperate on the program with the Company notify employees of abnormalities in their results and provide follow-up checks. - Health seminars and health promotion activities organized based on the overall results of employee check-ups. - If employees feel they have musculoskeletal symptoms or pain, their supervisors will make adjustments to their work environments, and a nurse will offer information on preventing the problems.
Forced Labor (Excessive Work Hours)	- Fubon's "Work Rules" limit regular working hours to no more than 8 hours a day and no more than 40 hours a week in principle. - Overtime hours of each department reviewed on a monthly basis, and supervisors help employees with longer work hours better allocate their tasks. - Employees must give their consent to work overtime, and any overtime request must meet legal requirements.	- People who work more than 8 hours a day can apply for overtime or compensatory leave. - Employees identified as having an excessive workload through a risk survey placed on a list to have their health tracked and given any necessary assistance and care.
Workplace Safety	- Most personal injury leaves result from traffic accidents that occur when employees are out on business or commuting to and from work. To mitigate this risk, Fubon has strengthened publicity on traffic safety do's and don'ts and holds basic occupational health education and training sessions on a regular basis every year. It also organizes fire evacuation drills to mitigate the risks of a workplace disaster. - Environmental tests conducted by a third party every six months. - Four major safety plans carried out: Maternal Health Plan, Plan to Prevent Unlawful Harassment in the Workplace, Ergonomic Hazards Prevention Plan, and Plan to Prevent Illnesses Caused by Excessive Workloads.	Occupational hazard compensation and benefits provided under Fubon's "Work Rules."
Harassment (Including Sexual and Non-sexual Harassment), Discrimination, Unlawful Workplace Harassment	- The Company's internal and external websites have set up dedicated sections for employees to file complaints; employees can voice complaints through a variety of channels, including by telephone hotline, fax or email. - A "Plan to Prevent Unlawful Harassment in the Workplace" has been established that requires risk control measures to be planned and implemented on a priority basis for high-risk groups of employees; the measures should also be checked and reviewed on a regular basis. - An "Anti-Discrimination and Anti-Harassment Statement" has been established and preventive, corrective, and disciplinary measures have been adopted to address sexual harassment and non-sexual harassment in the workplace. - A total of 54,006 people participated in an annual sexual harassment prevention training course, or 99.6% of those eligible. The Company also uses meetings, its internal website and education campaigns to raise employee awareness of how to prevent sexual harassment.	- In 2023, there were 16 complaints and one sexual harassment complaint filed that turned into formal internal cases. All of these cases were handled and resolved in a timely manner. In processing them, the Company established the facts amicably, rationally, and lawfully and presented its findings to the employees who filed the complaints in writing or by telephone, bringing the cases to satisfactory conclusions. All confidentiality guidelines were respected during the process, to protect the system's credibility. - The following remedial measures have been taken in line with Fubon's Human Rights Management Framework in response to the complaints described above: - Institutional: Continued to implement the "Anti-Discrimination and Anti-Harassment Statement," "Employee Complaint and Handling Guidelines," "Plan to Prevent Unlawful Harassment in the Workplace," and "Guidelines for Investigating Sexual Harassment Complaints and Disciplining Offenders". - Guidance: Strengthened awareness among employees of sexual harassment prevention concepts. - Penalties/Remedies: Disciplined individuals based on the "Personnel Reward and Punishment Guidelines".
Protection of Women	- Professional nurses employed by each company keep track of the health of female employees during pregnancies and in the first year after they give birth by phone and questionnaires and provide advice and any health information the women need. - Eight days of paid prenatal checkup leave provided, one day more than the seven required by law. - Ten weeks of paid maternal leave provided, two more than the eight weeks required by law.	To give pregnant employees peace of mind, the Company allows them to take tocolysis leave during their pregnancies (included within the 30 days of sick leave with half pay employees are entitled to) .

5.2.2 Promoting Labor-Management Communication

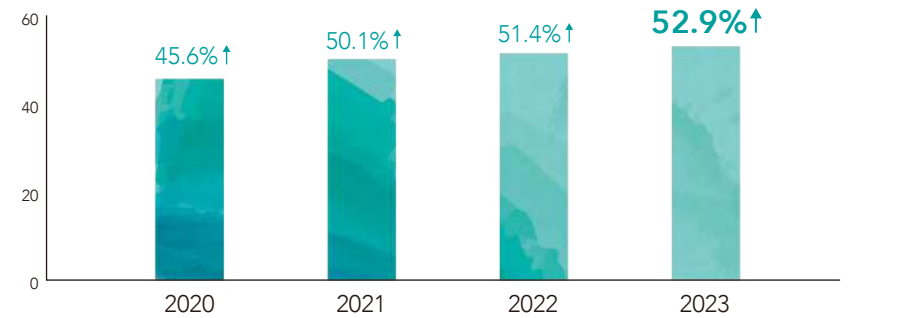
Communicating with its employees has always been among Fubon's top priorities. Quarterly labor-management meetings are held to solidify labor relations, and union representatives have seats on Occupational Health and Safety Committees to discuss health and safety issues at committee meetings. Any organizational adjustments or operational changes made that may have a major impact on employees must be announced in a timely way on the Company's intranet system to facilitate employee consultations. Fubon executives may also communicate such changes directly to the entire workforce if necessary. Fubon holds an open attitude toward employees joining a union, and encourages new hires at new employee orientation sessions to join a union. As of the end of 2023, 19,874 employees had joined a Fubon union, or 52.9% of the Company's workforce.

Pushing for Collective Bargaining Agreements

In 2015, Fubon Financial Holdings became the first private financial holding company to sign a collective bargaining agreement and received a commendation from the Ministry of Labor for the move. Since then, Fubon companies have negotiated and signed new agreements with their unions every three years, discussing issues related to employment and working conditions and employee benefits in good faith during the process. The agreements have resulted in working conditions and benefits that exceed legal requirements. They include 10 weeks of maternity leave (compared to the eight weeks required by law), and 12 days of funeral leave for the death of a parent, adoptive parent, or spouse, clear examples of tangible actions taken to protect the rights and interests of all Fubon employees. At present, Taipei Fubon Bank, Fubon Securities, Fubon Futures, and Fubon Insurance all have collective bargaining agreements with their unions, giving Fubon the most subsidiaries that have signed such agreements of any of Taiwan's financial holding companies. Efforts to hammer out new agreements continue in 2024, with Fubon Life signing a collective bargaining agreement with its union in May 2024.

Following the merger between Fubon Financial Holdings and Jih Sun Financial Holdings in November 2022, the Fubon Financial Holdings union signed a merger agreement with the Jih Sun Financial Holdings union on July 7, 2023 to ensure and expand their members’ rights. The smooth consolidation of the two unions set a model for future mergers within the financial sector. Fubon subsidiaries organized several seminars and team-building activities before and after the merger in 2023 to keep employees informed of their rights, and the Taipei Fubon Bank union and Jih Sun International Bank union successfully merged that year. Fubon Financial Holdings and its subsidiaries will continue to make every effort to build a harmonious work environment through labor–management communications.

Rate of Union Participation by Employees in Recent Years



5.3 Talent Development and Retention

5.3.1 Talent Development

Employee Development Programs

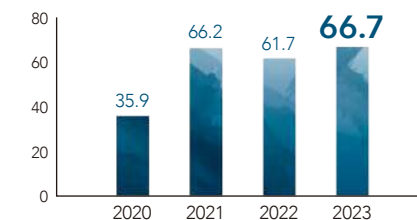
Fubon Financial Holdings plans training programs based on the skills needed at each level of the organization. To ensure that the instruction is effective, each training course has minimum learning-hour requirements, and the Kirkpatrick Note framework is used to review the indicators and evaluation methods of each program and quantify training performance, making it possible to measure learning outcomes and the benefits of investing in human capital.

Note: The Kirkpatrick Model is a training evaluation model proposed by Donald L Kirkpatrick in 1959. It is currently the most widely used training evaluation model in the business world.

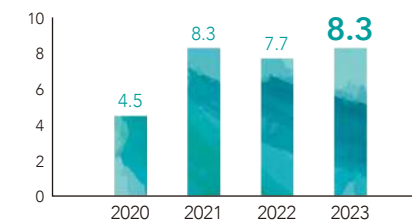
2023 Training Results



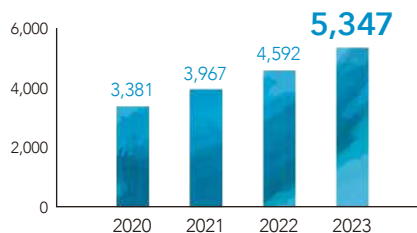
Average Training Hours per Person Unit: hours



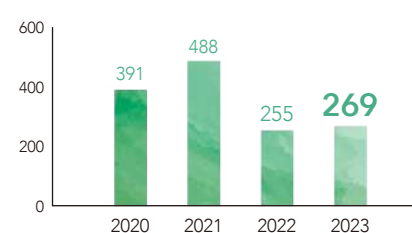
Average Training Days per Person Unit: days



Average Training Costs per Person Unit: NT\$



Human Capital Return on Investment Unit: %



Note: ROI = (Annual total revenue – (operating costs – personnel costs)) ÷ (personnel costs).

Description		2023	
		Average Hours	Share (%)
Gender	Male	67.6	50.6
	Female	66.1	49.4
Type of Training	Job expertise	29.7	27.7
	Organizational management	3.0	2.8
	Compliance	35.3	32.9
	Digital information	1.7	1.6
	Other	37.6	35.0
Age ^{Note}	Under 30	76.7	37.6
	30-50	64.8	31.8
	Over 50	62.4	30.6
Position ^{Note}	Top managers	36.2	22.3
	Junior managers	55.6	34.3
	Regular staff	70.3	43.4

Note: Fubon Life's outside sales agents were not included in the age breakdown and breakdown by position on the right side of the above chart.

Fubon Employee Development and Training Scorecard

Level	Description		Performance Indicators (KPI)
L5	ROI	Human capital return on investment	Full-year net income
L4	Result	Learners' actual contributions to the organization's operations, such as reducing operating costs, increasing capacity.	Turnover rate; employee engagement and "intention to stay" in employee surveys; retention rate of top talent; practical application of concepts learned in training; number of digital services.
L3	Behavior	Changes in learners' on-the-job behavior	Improvement in management skills and recognition received; training provided by internal instructors.
L2	Learning	Learners' skills, knowledge and attitude	Training completion rate; rate at which training course tests passed; action plans; reports on learning results.
L1	Reaction	Learners' satisfaction with the learning process	Level of satisfaction

2023 Key Employee Development Programs

Leadership Development Program for Managers	
People Trained	Managers at all levels; a total of 8,323 people received training (or 99.9% of all management positions and 22.0% of total workforce).
Training Description	- Organizational management-related Training program for new junior managers: A three-year program of required courses has been devised to help employees who have been promoted to junior management positions get quickly familiarized with their management responsibilities and develop their management skills. National Taiwan University Leadership Program: Every year since 2017, Fubon and NTU have co-organized an "NTU-Fubon Advanced Management Practices Workshop" tailored to middle managers. The workshop uses case studies to get managers from different subsidiaries to exchange ideas and broaden their thinking and perspectives. To date, around 224 middle managers have been trained in the program at a cost of NT\$13.47 million. Management trainee program: Supervisors recommend the best candidates, who then go through a rigorous evaluation process to ensure they have management qualifications in preparation for the next stage of their management careers. There have been more than 852 people who have completed the management trainee program to date.
Operating Benefits	The financial holding company and its subsidiaries plan leadership training programs for their managers based on organizational strategies and directions and the skills needed at each management level. The programs help managers maintain a positive attitude and the ability to think about issues from many angles and also improve their decision-making and risk management skills, which supports operational growth and the achievement of goals.
Quantitative Indicators	 2023 Net Income was NT\$66.02 billion, Tops Among Financial Holding Companies. New Junior Managers Self-assess their management abilities before and after taking part in training courses. Their scores after the training were 10% higher than before the training. Top Talent Retention Nearly 95% Potential Talent 55.2% of employees identified as talented and having potential have been promoted to managerial positions. Projects Application of concepts learned: As of the end of 2023, there had been 45 projects applied to work-related tasks, including: - Fubon Financial Holdings junior managers' → "Opportunities and Action Plans for Migrating to the Cloud" - Taipei Fubon Bank junior managers' → "Combining Video Conferencing Platforms and Electronic Signatures to Create the Ideal Financial Assistant for Customers" - Fubon Life junior managers' → "How Business Channels Should Address Digital Transitions" - Fubon Insurance junior managers' → "How to Increase Auto Insurance Market Share and Expand Niches"

Digital Talent Development Program	
People Trained	Managers and related salespeople; 26,738 people received training, or 70.7% of the workforce.
Training Description	All types of digital information classes, covering such topics as big data, artificial intelligence, and fintech.
Operating Benefits	The program has strengthened the support among managers and other employees for digital transformation, and provided the skills and knowledge necessary for them to handle digital products and push for the development of innovative digital services and apps, provide more efficient service, improve customer satisfaction, and support business and revenue growth.
Quantitative Indicators	Improved the efficiency of digital services; see the section titled Innovative Fintech Services in Chapter 4 .
ESG Training Program	
People Trained	37,136 people (98.2% of the total workforce) took part in the program.
Training Description	 Sustainability Education - Sustainability consensus-building meetings (exchanges between group, financial holding company and subsidiaries) - Sustainable finance management certification training classes - Specialized ESG classes (in collaboration with NTU Risk Society and Policy Research Center and ESG consultant team) - Seminars organized with outside academic associations Basic Knowledge - Sustainability e-newsletter - Introduction to ESG and sustainable finance
Operating Benefits	A series of ESG classes aligned with the Company's sustainability strategy have been promoted since 2021. They have raised awareness of ESG concepts among employees and helped build ESG-related support and specialized knowledge among them, which has resulted in the smooth development of ESG initiatives, forged a consensus on ESG in the workforce, and fostered teamwork to achieve sustainability goals. That, in turn, has smoothed the way for the development of ESG initiatives, such as helping value chains with sustainable transformations, providing customers innovative products and the best financial services, fostering a happy, healthy, and friendly workplace, and serving as a positive force in promoting public welfare.
Quantitative Indicators	- Green finance investment and loans totaled NT\$2.57 trillion. - Premiums from climate and sustainability-related insurance products totaled about NT\$7.03 billion. - Continued to receive ESG honors at home and abroad, including being selected to the Dow Jones Sustainability Indices World Index. - In 2023, there were 73 trainees who earned sustainable finance management certification, or 100% of those studying for it. Every individual completed 16 courses (or 40 hours of study).

Other Key Training Programs and Results

Key Training Programs	Description	2023 Results
Management Associate (MA) Program	- Since 2005, Fubon Financial Holdings has used the annual MA program to identify outstanding talent. Candidates in the program must overcome many hurdles to be offered a management associate position and then undergo two years of training that encompasses project involvement, overseas internships, and a mentoring mechanism. - Recruited MA candidates in 24 fields in 2023, making it the broadest MA recruiting campaign with the most openings of any financial holding company in Taiwan.	The program has been run for 19 years. As of the end of 2023, 460 management associates have been hired since the program began, with an overall retention rate of 51.4%.
MIT International Talent Cultivation Program	Every year, Fubon Financial Holdings selects outstanding employees to take part in a comprehensive one-year advanced management program at MIT's Sloan School of Management, hoping to bring more of an international perspective to the Company's management vision. During their year abroad, participants continue to be paid their salaries, their tuition is fully covered, and they receive subsidies for round-trip flight tickets (family members included) and living expenses.	14 people have been sent to MIT since the program began, with more than NT\$5 million invested in each person on average.
Internal Instructor Certification Program	This program effectively lowers outside training costs, and its impact on learning is extended through digital courses, helping forge a good learning environment.	Nearly 930 instructors had been certified as of the end of 2023, and they designed 320 digital courses during the year.

Note: The key training programs listed in the table above and related information cover Fubon Financial Holdings and all of its subsidiaries.

A Diverse, Self-learning Environment

Fubon Financial Holdings has established “Regulations on Rotating and Transferring Personnel,” “Regulations on Subsidies for Advanced Studies and Foreign Language Learning,” and “Employee Certification Management and Incentives Guidelines” to create a system to provide employees opportunities for professional growth. In 2023, 90.8% of job vacancies posted were filled internally, higher than in 2022, and 2,330 people obtained subsidies and incentives to obtain language certification and professional licenses, with Fubon investing NT\$24.3 million in the program, up 3.4% from a year earlier.

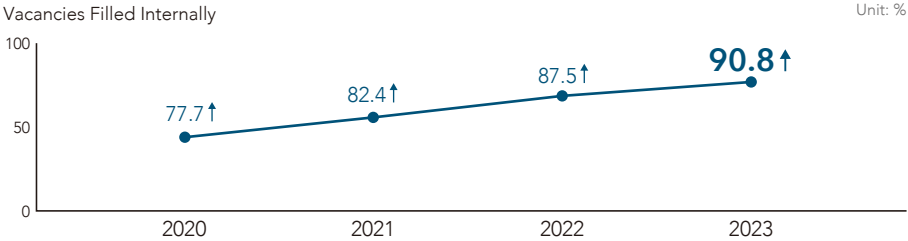
Fubon Financial Holdings has also promoted mobile digital learning through the Fubon Academy App, which offers instruction on specialized financial topics, languages, management skills, compliance, and other areas of knowledge. In 2023, the platform was used nearly 930,000 times, mainly because subsidiaries Taipei Fubon Bank, Fubon Life, Fubon Securities, and Fubon Insurance provided workforce training through the app on age-friendly practices, financial-friendly education, financial consumers’ right and interests, and ESG. The online learning system is rich in resources, offering more than 700 digital courses. The platform is optimized and new resources are added every year depending on employee needs, ultimately creating a diverse learning environment that empowers people to learn on their own without time or location constraints.

Vacancies Filled Internally

Year	2022		2023	
	No. of People	Vacancies Filled Internally (%)	No. of People	Vacancies Filled Internally(%)
Male	958	36.8	879	35.8
Female	1,646	63.2	1,576	64.2
Under 30	402	15.4	289	11.8
30-50	1,804	69.3	1,704	69.4
Over 50	398	15.3	462	18.8

Note:1. Vacancies filled internally = (People hired through internal recruitment + no. of promotions in a year) ÷ (No. of vacancies opened internally + no. of promotions in a year).

2. Fubon Life outside sales agents are not included in this table.



5.3.2 Talent Retention

Wages and Competitiveness

Fubon Financial Holdings’ employee compensation is divided into fixed and variable (including performance bonuses) compensation. It participates in an annual salary survey to maintain a competitive compensation structure capable of attracting and retaining talent, and annual bonuses are distributed based on the Company’s overall performance and the results of each individual’s performance evaluation. Fubon’s starting base salary for new employees (both men and women) in Taiwan is approximately 53% higher than the minimum wage, helping the Company maintain its position as a constituent of the Taiwan High Compensation 100 Index selected by the Taiwan Stock Exchange (TWSE).

Compensation for Full-time Employees in Non-supervisory Positions

	2020	2021	2022	2023	Annual increase (%)
Number of Employees	14,232	14,344	14,422	16,938	17.45
Average Compensation (NT\$1,000)	1,356	1,494	1,363	1,442	5.80
Median Compensation (NT\$1,000)	1,091	1,173	1,099	1,164	5.91

Note: Reporting based on the Taiwan Stock Exchange’s “Data on Salaries of Full-time Employees in Non-managerial Positions”; scope of coverage includes Fubon Financial Holdings, Fubon Life, Taipei Fubon Bank, Fubon Insurance and Fubon Securities.

Female:Male Compensation Ratio

Employee Level		2022	2023
Executive Level	Base salary only	100:100	95:100
	Base salary + other cash incentives	94:100	90:100
Management Level (not including vice-presidents or above)	Base salary only	100:100	99:100
	Base salary + other cash incentives	104:100	102:100
Non-management Level	Base salary only	92:100	92:100
	Base salary + other cash incentives	94:100	94:100

Note: 1. The compensation ratios may be slightly skewed by such factors as the number of people in each category, their positions, and individual performance.

2. Because of the special nature of the jobs of Fubon Life’s outside sales agent and because fixed-term contract workers are mostly hired for the short-term depending on the annual needs of the business, neither category of worker was included in the figures above. Also, because Fubon Financial Holdings’ operating locations are concentrated in Taiwan and nearly 100% of its employees are Taiwanese nationals, the figures above do not include overseas workers hired at overseas locations.

Employee Evaluations

Fubon Financial Holdings has a "Performance Evaluation Policy" that requires all employees to undergo annual performance evaluations. The evaluation process begins with employees and their supervisors forging a consensus on the year's performance goals based on the Company's development strategy and expectations. Internal control, risk, and sustainability indicators are also considered. Mid-year interviews are then conducted that focus on progress made in achieving the goals that have been set, and the process culminates in year-end performance evaluations. Each employee's final performance rating, based on how their performance ranked within their unit, figures into their year-end bonus (depending on the Company's profitability that year) and informs salary adjustments, promotions, and professional development opportunities. It is a system that provides incentives to employees to do well and helps retain talent.

Fubon Financial Holdings has devised several types of evaluations to incentivize and develop talent as summarized below:

Types of Evaluations	System Description	Targeted Individuals	Frequency
 Management by Objectives	Fubon Financial Holdings has a "Performance Evaluation Policy" that requires managers at the two levels above an employee to evaluate annually that employee's target achievement rate. The results of these performance evaluations figure into employees' year-end bonus (depending on the Company's profitability that year). Employees whose performance evaluations are poor (ranking in the bottom 5%) must engage in a performance improvement plan within three months.	All employees of Fubon Financial Holdings and its subsidiaries.	Annually
 Multidimensional Performance Appraisal	A multidimensional performance evaluation system has been established that evaluates each individual through the eyes of supervisors, colleagues, and customers based on criteria that includes whether goals have been met, quality of service, training participation, overall quality of work, and self-discipline. The results of the evaluation affect performance-based bonuses.	Salespeople	Monthly/ Quarterly
 Team-based performance appraisal	To ensure the quality of service provided by the Fubon Financial Holdings team, each subsidiary evaluates related financial holding company departments and those departments evaluate each other on an annual basis. The evaluations cover professionalism, timeliness, service attitude and overall service. The results are incorporated into annual checks of how well employees achieved their goals, and are taken into account in their compensation. At the same time, each unit makes internal improvement plans based on the results to continue to promote cooperation between departments.	Departments of Fubon Financial Holdings and Fubon Securities.	Annually
 Agile conversations	Managers and employees discuss and review progress in achieving business objectives through dialogue and ongoing feedback at regular or unscheduled meetings, through which employees are given appropriate guidance and assistance.	Employees	Weekly/ Unscheduled

Multifaceted Talent Retention Plan

Fubon Talent Retention Incentive System

Incentive	Eligibility	Program	No. of People Affected (Share)	Annual Amount
Stock Ownership Trust	Employees who have been with the company for three months can put money into the stock ownership plan.	Employees who participate in the stock ownership trust can invest a certain amount in Fubon stock depending on their position and get matching contributions from the Company. The higher an employee's position, the more they can receive in matching contributions, a policy designed to encourage talent to work toward achieving operating goals so that the Company's stock price will continue to rise and to strengthen employee engagement. - Amount invested by employees: Participants invest a fixed amount in the trust every month to buy shares, with the amount dependent on their position. - Matching contribution: The Company matches each employee's investment as an incentive. Employees who are with Fubon for at least two years can collect 75% of the contributions while those with at least four years of service can collect 100% of the contributions.	Total of 21,303 employees participated in the program, or 86.8% of those eligible.	Allotted more than NT\$390 million in matching contributions in 2023.
Deferred Bonus Policy	People defined as key personnel who are very important to the organization's operations and development.	To ensure that the bonuses of key personnel are tied to shareholders' long-term interests, the policy clearly stipulates to whom deferred bonuses apply, the share of the bonus that can be deferred, the maximum number of years of deferral, deferral methods, and mechanisms to recover unvested bonuses. The share of a bonus that can be deferred has been increased to 30%. Bonuses are converted into "deferred bonus units" based on the closing price of the Company's common stock, and the settlement of the bonus can be deferred for up to three years.	-	-
Awards for Long-tenured Employees	Employees who have been with Fubon for 10 years or multiples of 10 years.	Fubon rewards employees who stay with the company for a long time based on its "Rules on Incentives for Long-tenured Employees"; they can receive up to seven days of leave and a reward of up to NT\$100,000 for long service.	2,051 people received awards in 2023, about 5.4% of the total workforce.	Distributed over NT\$39.50 million in awards.

Employee Engagement Survey and Resignations

Employee engagement and turnover rate are two important indicators of corporate development and workplace diversity, and Fubon conducts an employee engagement survey once every two years to better identify important internal issues and gauge employee engagement (including whether they are engaged, enabled, and energized). The survey covers broad topics such as work experience, organization functioning and strategic priorities across 20 issues that include purpose, job satisfaction, happiness, and stress, and also includes an open-ended question to gather more tangible and varied feedback to inform future improvements.

Aspects of Engagement & Question

Engaged/Purpose	Enabled/Job Satisfaction	Energized/Happiness and Stress
- I believe strongly in the goals and objectives of this organization. - I would recommend this company as a good place to work. - I work beyond what is required to help this organization succeed.	- The people I work with cooperate to get the job done. - There are no substantial obstacles at work to doing my job well. - I have the equipment/tools/resources I need to do my job effectively.	- My job provides me with a sense of personal accomplishment. - I am able to sustain the level of energy I need throughout the work day. - The people I work with are willing to help each other, even if it means doing something outside their usual activities.

A total of 13,500 employees participated in the 2022 employee engagement survey, or 88% of those eligible, the highest participation rate in Company history. The survey found that 70% of respondents felt invested in the Company and identified with it. In view of the result, each department made internal adjustments and improvements based on the feedback given on important issues. For example, an emphasis was put on the views expressed by a majority of respondents in the open-ended question, and communications and publicity on related issues were strengthened to improve employees' understanding of the Company's systems.

In 2024, Fubon Financial Holdings and its subsidiaries will conduct their fifth employee engagement survey.

Year		2015-2017	2018-2019	2020-2021	2022-2023
Participation Rate (%)		75	70	82	88
Engagement Score		77	75	75	70
Gender	Male	79 (+2*)	77 (+2*)	78 (+3*)	74 (+4*)
	Female	75 (-2*)	74 (-1*)	73 (-2*)	68 (-2*)
Age	24 and under	75 (-2*)	76 (+1)	72 (-3)	64 (-6*)
	25-29	72 (-5*)	71 (-4*)	72 (-3*)	64 (-6*)
	30-39	73 (-4*)	71 (-4*)	71 (-4*)	64 (-6*)
	40-49	79 (+2*)	76 (+1)	75 (0)	71 (+1)
	50-59	84 (+7*)	82 (+7*)	82 (+7*)	78 (+8*)
	60 and above	91 (+14*)	90 (+15*)	87 (+12*)	83 (+13*)
Position	Junior managers	81 (+4*)	81 (+6*)	81 (+6*)	82 (+12*)
	Top managers	87 (+10*)	86 (+11*)	89 (+14*)	89 (+19*)
	Non-managers	76 (-1*)	74 (-1*)	74 (-1*)	68 (-2*)

Note 1: The table above shows the results of Fubon Financial Holdings' employee engagement surveys broken down by employee gender, age and position compared with the overall engagement score. Statistically significant findings are marked with an asterisk (*).

Note 2: The survey used a 5-point scale (agree, somewhat agree, no opinion, somewhat disagree, disagree). The engagement score of 70 showed that of all respondents, 70% chose one of the first two multiple choice answers (agree, somewhat agree) and that it was a generally positive review.

Turnover Rate Distribution

Categories		2020		2021		2022		2023	
		No. of Leavers	Turnover Rate (%)	No. of Leavers	Turnover Rate (%)	No. of Leavers	Turnover Rate (%)	No. of Leavers	Turnover Rate (%)
Overall Turnover		1,455	9.5	1,465	9.5	1,846	11.7	2,357	12.5
Voluntary Turnover		1,260	8.3	1,209	7.8	1,625	10.3	2,109	11.2
Gender	Male	668	4.4	638	4.1	828	5.3	1,052	5.6
	Female	787	5.2	827	5.3	1,018	6.4	1,305	6.9
Age	Under 30	444	2.9	446	2.9	613	3.9	709	3.8
	30-50	874	5.7	757	4.9	1,013	6.4	1,217	6.4
	Over 50	137	0.9	262	1.7	220	1.4	431	2.3
Position	Top managers	18	0.1	15	0.1	19	0.1	22	0.1
	Junior managers	76	0.5	95	0.6	86	0.5	87	0.5
	Non-managers	1,361	8.9	1,355	8.8	1,741	11.1	2,248	11.9

Note: Because of the special nature of the jobs of Fubon Life's outside sales agent and because fixed-term contract workers are mostly hired for the short-term depending on the annual needs of the business, neither category of worker was included in the figures above; in 2023 the denominator for the turnover rate was 18,883 people.

5.4 Friendly Care and Health-Facilitating Activities

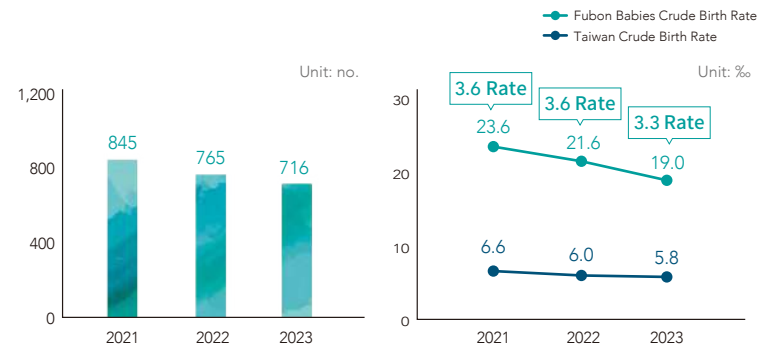
5.4.1 Friendly Care

In 2023, Fubon Financial Holdings responding to inflation by increasing its employee food allowance. It also continued to give employees bonuses for Taiwan's three main festivals; special subsidies (such as for getting married, having a child or when a death occurs in the family; recreation and leisure activities; the education of an employee's children; birthday celebrations, or social welfare events); labor, health and group insurance; pensions; occupational hazard compensation and benefits for the families of employees who die; and other preferential treatment. In overseas locations, separate benefit systems are created based on local conditions.

Comprehensive Employee Care

Fubon Financial Holdings is dedicated to promoting employee health and well-being by providing comprehensive care. Employees are given resources and support at various phases of their lives – from when they are single to when they get married, have children, raise children and care for their older relatives. Seeing that low birth rates have become a global issue and that Taiwan's birth rate is continuing to fall, Fubon decided to take action to ease the financial pressure faced by employees when having and raising children, and decided to provide subsidies for having children that far exceed legally mandated requirements. Overall, the Company distributed 4,830 childbirth and child care subsidies to employees totaling NT\$132 million in 2023. A total of 716 "Fubon babies" were born in 2023, translating to a crude birth rate of 19 per 1,000 people, roughly 3.3 times as high as the birth rate for Taiwan as a whole. In 2023, Fubon Financial Holdings received a "Parenting-friendly Workplace Award" from *CW Parenting* magazine, which was presenting the award for the first time. The honor further cemented Fubon's positive image as a company that takes care of its employees and their families.

Fubon Babies



Employee Support Programs and Benefits at Each Stage of Life that Exceed Legal Requirements

Flexible Working Hours

Based on the Company's "Attendance Management Rules," employees normally have access to a flexible work schedule consisting of four different shifts (8 a.m.-5 p.m., 8:30 a.m.-5:30 p.m., 9 a.m.-6 p.m., 9:30 a.m.-6:30 p.m.). If a department has specific operational needs, it can set different employee work hours and implement a rotating shift schedule based on the nature of the department's business as long as those conditions comply with the Labor Standards Act and other regulations.

Working from Home Arrangements

- Under special circumstances, companies may furnish employees with the necessary equipment so they can handle their responsibilities from home and remain productive.
- Managers can be provided with an electronic signature system so that administrative and management processes remain smooth and efficient.

Paid Leave Benefits and Measures

- Funeral leave:**
Employees can apply for 12 days of paid funeral leave for the death of a parent, foster parent, stepparent, or spouse, **well above the eight days required by law.**
- Health check leave:**
To encourage employees to pay attention to their health, people who meet the standard for being treated at a hospital can arrange for **paid leave** to get a hospital checkup.
- Volunteer leave:**
Every employee can apply for **2 days of paid volunteer leave per year** based on actual hours of public welfare service.



On the Job

Marriage

Marriage Subsidies and Marriage Leave

Marriage subsidies are given to Fubon employees and their children. If both the husband and wife work for Fubon, they can receive a subsidy of up to NT\$12,000. Employees can arrange to take marriage leave any time within one year from the date their marriage is registered.

Prenatal Checkup Leave

To ensure that female employees who are pregnant focus on their health, Fubon Financial Holdings provided **8 days of paid prenatal checkup leave** in 2023, **more than the 7 days required by law.**

Tocolysis Leave

To give pregnant employees peace of mind, the Company give them the option of taking tocolysis leave during their pregnancies (included within the 30 days of sick leave with half pay employees are entitled to).

Maternal Health Plan

Nurses employed by the Company keep track of the health of female employees during their pregnancies and in the year after they give birth by phone and through questionnaires, and provide advice and any health information they need.

Free Company Uniforms for Pregnant Woman

Special maternity versions of Fubon uniforms are provided free of charge to pregnant employees, eliminating the hassle and expense they would otherwise face in dressing for work during their pregnancies.

Pregnancy Gifts

Taipei Fubon Bank provides necessities for newborns.



Pregnancy

Paid Maternal Leave and Child Care Leave

The leave given to people having a child includes **10 weeks of paid maternity leave**, which exceeds the statutory requirement, and 26 weeks of job-protected parental leave paid at 80% of the employee's salary used to register for labor insurance, for a total of 36 weeks of leave. In 2023, there were 315 applications for maternal leave.

Paid Parental and Child Care Leave for the Non-primary Caregiver

For male workers, leave given for paternity and child care leave included up to **eight days of paid paternity leave** starting in 2023 and 26 weeks of job-protected parental leave paid at 80% of the employee's salary used to register for labor insurance, for a total of 27 weeks of leave.

Childbirth Subsidies

A **subsidy of NT\$100,000 given for each child born** in 2023, 716 "Fubon babies" were born.

Breastfeeding Rooms

Every Fubon office building is equipped with breastfeeding rooms managed by designated personnel. The spaces and equipment provided have been continuously optimized over time and certified as "Good Breastfeeding Rooms" by the government multiple times.



Childbirth

Breast-feeding

Child Care Subsidies

Child care subsidies are given to ease the financial burden of employees with preschool-aged children. The child care subsidy for **children 6 years old or younger is NT\$15,000 per child per year.**

Child Education and Scholarship Subsidies

Fubon provides education subsidies and scholarships for children from elementary school all the way to college and even post-graduate studies based on each subsidiary's program.

Preferential Child Care Programs

Fubon continues to collaborate with high-quality, licensed child care institutions, offering employee discounts on day care fees to help reduce the cost of raising children.

Flexible Working Hours

Employees with children under 3 years of age can apply to work an hour less per day (without pay) based on their personal situation.

Job-protected Unpaid Parental Leave

Fubon has strengthened the job-protected parental leave mechanism. When employees take job-protected unpaid parental leave, they are given priority to return to their original positions, or another suitable position is arranged via the internal referral system.

Preferential Group Insurance for Unlimited Number of Children

Aside from registering all employees in the labor insurance and national health insurance programs as required by law, the Company also has group insurance that includes life insurance, catastrophic illness insurance, accident insurance and medical insurance. Employees are automatically included in the program at the Company's expense. They can also insure their children through the program and are charged premiums for only one child no matter how many children an employee has, with Fubon covering 70% of the premiums.



Child Care

Retirement Plans and Related Benefits

Fubon Financial Holdings has established retirement mechanisms and pension payment standards based on the "Labor Standards Act," "Labor Pension Act," and Fubon's "Work Rules," summarized as follows:

Pension contributions plan:

A retirement policy was established based on the Labor Pension Act. For individuals who qualify for benefits under the Labor Pension Act, the Company contributes 6% of their monthly salary every month into their Bureau of Labor Insurance personal pension account based on the "Monthly Contribution Classification Table for Labor Pensions." Workers can then collect the funds in one lump-sum or as a monthly annuity after they retire at the age of 60 or above. In 2022 and 2023, the Company and its subsidiaries made contributions of NT\$1.51 billion and NT\$1.56 billion, respectively, to the pension accounts.

Benefits plan:

A retirement policy was also established based on the Labor Standards Act. For individuals whose pension is based on provisions in the Labor Standards Act, their pensions are based on a formula that considers their pay level and the number of years worked. Two "base periods" are given for each full year of service rendered, but for years worked over 15 years, only one "base period" is given per full year of service rendered. The maximum number of base periods is 45. The Company and most of its subsidiaries have established a "Labor Retirement Reserves Supervisory Committee" to regularly check changes in the reserve fund held for employee pensions, oversee the company's monthly contributions to the reserve fund, and ensure employee accounts have been set up and maintained and payments are up to date. As of the end of 2022 and 2023, the fair value of the assets of the Company and its subsidiaries in their retirement benefits funds totaled NT\$10.53 billion and NT\$10.47 billion, respectively.

Other related benefits:

Fubon's retirement policy stipulates that when managers retire, those with outstanding records of performance can receive up to an additional 10 retirement "base periods" of performance bonuses. Retired personnel can also, based on their personal situations, continue to participate in some employee benefit programs (such as participating in group discounted health checks at their own expense).

Retirement

Home Care

Preferential Care Program for Women

Fubon Financial Holdings added a "Women's Care" category to the employee benefits section on its internal website with the needs of female employees in mind. It provides special offers on supplements, health care items and cosmetics for women.

Full Range of Well-being Talks

In 2023, Fubon Financial Holdings rolled out a series of talks on health and well-being focusing on topics of interest to employees, such as dementia prevention, anti-virus tips, exercise and good health, egg-freezing, and family communications. The talks contributed to shaping a workplace environment that is supportive of long-term care, good health, child care, gender equality and environmental protection.

Long-term Care Subsidies

Fubon Financial Holdings and Taipei Fubon Bank offer a benefits program that enables employees to use annual subsidies to buy long-term care medical products or hire caregivers, providing the elderly with the care they need and reducing the financial burden and mental stress of employees who take care of older relatives.

Illness and Death

Benefits for Non-work-related Deaths

When an employee dies because of an accident or illness that is not work-related, it is handled based on guidelines established by Fubon Financial Holdings that go beyond retirement benefit standards laid out in the Labor Standards Act. The payments can be as high as 40 months of average salary and are supplemented by a payment of five months of average salary for funeral expenses.

Number of Times Fubon Employees Took Marriage, Reproductive, and Child Care-Related Leave

Type of Leave	2020	2021	2022	2023
Menstrual Leave	2,164	1,998	2,242	2,957
Prenatal Checkup Leave	1,219	1,215	1,543	1,803
Pregnancy Checkup Accompaniment and Paternity Leave	280	375	483	536
Family Care Leave	2,574	2,051	2,482	3,289
Volunteer Leave	411	172	166	325

Note: Fubon Life outside sales agents are not included in this table.

Statistics on Employees Taking Unpaid Parental Leave

Category	Male	Female	Total
Number of people eligible for job-protected unpaid parental leave in 2023	469	632	1,101
No. of people who applied for unpaid parental leave in 2023	37	186	223
No. of people expected back from parental leave in 2023 (A)	28	156	184
No. of people who returned to work in 2023 (B)	19	106	125
No. of people who returned to work in 2022 (C)	14	107	121
No. of people who remained at work for over a year in 2022 who had returned from parental leave (D)	8	84	92
Return-to-work rate (B/A)	67.9	67.9	67.9
Retention rate (D/C)	57.1	78.5	76.0

Note 1: The number of people who did return to work (C) includes those who returned to work earlier than expected.
Note 2: The return-to-work rate is the number of people who returned to work divided by the number of people expected back. The retention rate is the number of people who remained at work for over a year following their return divided by the number of people who did return to work.
Note 3: Fubon Life outside sales agents are not included in this table.

5.4.2 Workplace Health and Energy

Occupational Safety and Health Management

Taipei Fubon Bank and Fubon Life have established “Occupational Safety and Health Committees” in compliance with pertinent laws and regulations. The committees consist of senior department managers, occupational safety and health specialists, medical personnel specialized in labor health services, and labor representatives. Labor representatives must account for at least one-third of the committee members. The committees meet quarterly to discuss occupational safety and health risks and issues, such as the continued promotion of four primary safety plans, health checkups for all employees, regular occupational health training, regular maintenance of workplace safety and health systems, and workplace environment inspections. Fubon Life obtained ISO 45001 certification in 2023, demonstrating its commitment to good occupational health and safety management practices. This mechanism has helped Fubon Life effectively manage occupational health and safety risks and elevate the organization’s operational efficiency.

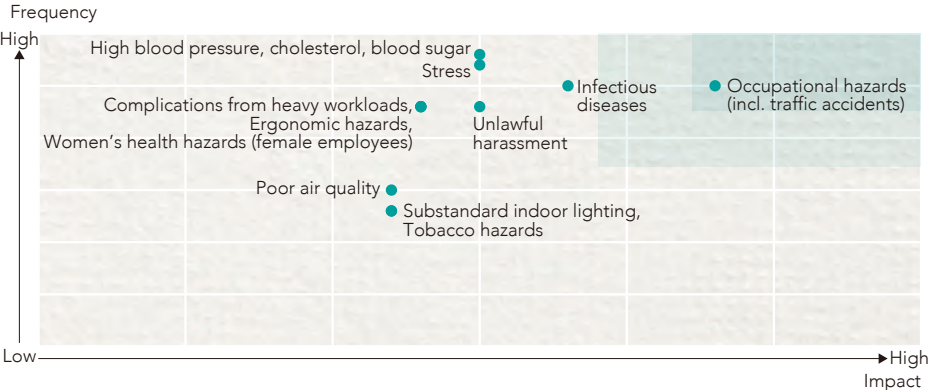
To ensure that its occupational health and safety initiatives are carried out effectively, Fubon Financial Holdings has included those initiatives’ goals among the indicators in the performance evaluations of related personnel, the results

of which are linked to individual bonuses as stipulated in Fubon’s “Performance Evaluation Policy.” One of the goals for senior managers on the “Employee Care Team” under the Human Resources Division is to have “employees participate in wellness and health-related activities 110,000 times by 2025 and an average of 7.2 times per employee.” Through a top-down approach, the team encourages group classes in and individual use of Fubon’s fitness centers as well as employee participation in Family Day and hiking activities, a Fubon Group basketball tournament, and wellness and health seminars, and tracks the results on a quarterly basis. The team reports on progress in achieving its goals twice a year to the “Corporate Governance and Sustainability Committee” and the board of directors. If there are special circumstances, it can report to the board on a quarterly basis.

Fubon Financial Holdings has developed a questionnaire to effectively identify workplace hazard risk factors and foster a healthier and safer workplace for all individuals – whether employees or not – who operate in Fubon workplace environments. The questionnaire is structured around the Occupational Safety and Health Management Rules, Occupational Safety and Health Management Plan and the PDCA management cycle and incorporates provisions from four legally mandated safety plans and outside assessment indicators. The results are analyzed by internal full-time nurses and occupation safety managers and used to plot a health risk matrix that includes coverage of Fubon work spaces, making it possible to identify, assess and control work environment risks or occupational hazards and safeguard the health and safety of every Fubon employee. In 2023, the survey identified traffic accidents; infectious diseases; high blood pressure, high blood sugar and high cholesterol; mental stress; and unlawful harassment as medium- and high-risk factors among Fubon employees that are more serious than the average risks they face. The Company then carefully crafted related mitigation measures in response, and will use employee health checkup results, questionnaires, nurse and employee assessments, and actual data on occupational injuries and accidents to see if progress is being made in managing these health risks.

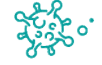
To prevent occupational hazards and safeguard employee safety, the “Occupational Safety and Health Management Plan” established by Fubon lays out emergency response guidelines such as procedures for investigating and handling work-related injuries, health hazards, illnesses, and accidents. When an employee faces a situation that affects their physical or mental health, such as a work-related injury, health hazard, illness, accident, or occupational hazard, the individual and the department supervisor must file a report on the matter depending on the seriousness of the issue. The report should include the cause of the incident, an analysis of what happened, and related preventive or corrective measures and be submitted to the labor investigation unit investigating the case to keep such incidents from reoccurring.

Health Risk Roadmap



Note: Frequency x Impact = Risk Level; risk levels of 1-2 are consider low risk, of 3-4 are considered medium risk, and of 5 and above are considered high risk.

↑ Health Risk Issues and Management/Mitigation Measures and Their Impact

	Risk Issue	Control/Mitigation Measures	2023 Results
High Risk	 Occupational hazards (mainly traffic accidents on the way to and from work)	- Carried out traffic safety awareness campaign. - Provided occupational hazard compensation and financial aid as per the "Work Rules". - Helped employees assess when to return to work; special care given when they resumed their job.	0 occupational hazard deaths. 44 occupational injuries, fewer than in 2022.
	 Stress	The Company has collaborated with the Taiwan Institute of Psychotherapy to provide employees free mental health counseling to safeguard their mental health and give them a channel through which they can release stress.	- Employees had 1,047 face-to-face counseling sessions. - More than NT\$4.5 million invested in the program.
	 Infectious diseases	- Office spaces are cleaned and disinfected on a regular basis. - Special offers provided for flu shots.	Taipei Fubon Bank helped 496 employees get flu shots.
Medium Risk	 High blood pressure, cholesterol, blood sugar	- Employees given physical checkups more frequently than required by law. - Full-time nurses plan and carry out health promotion activities based on checkup results, including lectures, on-site services, and group classes in the fitness center. - Continued to run fitness centers and massage stations and organized Family Day and hiking activities, healthy walks, and club activities. - Employee Wellness Cafeterias only use certified, high-quality ingredient suppliers to maintain high food quality standards and employee health.	- Checkup rate over 92% in 2023, hospitals partnering with the Company notified workers of problem areas and provided follow-up care. - Fubon employees participated in health promotion activities more than 161,000 times, averaging about 8.6 activities per person. - Organized more than 500 on-site visits by medical professionals to provide clinical services. - Continued to promote 25 social clubs and organized more than 930 club activities. - Organized 196 group exercise classes. - Fubon employees used the massage stations 58,000 times.
	 Unlawful harassment	Implemented programs to prevent unlawful harassment in the workplace and adopted zero-tolerance principles for physical violence and mental and verbal abuse; assessed hazards and their handling and mitigation based on related guidelines.	No medium- or high-risk cases.
	 Outside Honors	- Fubon Life and Taipei Fubon Bank again received Health Promotion Shield certification. - Fubon Financial Holding and subsidiaries again received Taiwan iSports enterprise certification.	

Wellness and Health-related Activities

Type	Item	Description	Total Participants (people)			
			2020	2021	2022	2023
 Health-Facilitating Activities	Fitness Center and Group Class	Fubon Financial Holdings has set up fitness centers of more than 330 square meters in its major office buildings. They are staffed by professional coaches who give employees fitness advice and teach them how to use the equipment provided.				
	Family Day	Fubon builds consensus and strengthens employee unity through Family Day activities, sports meets, hiking and cycling outings, healthy walks, and other activities.				
	Hiking	Fubon has promoted a series of hiking outings, encouraging their employees to hike to good health by organizing competitions between departments.	28,343	11,193	31,970	46,031
	Group Basketball Tourney	Employees from Fubon companies around Taiwan are encouraged to select and register teams and compete in the tournament. The tough competition sends the best teams to the finals and helps strengthen the morale and unity of each team as they strive for glory.				
	Table Tennis Tournament	Fubon Securities organizes a table tennis tournament, hoping that the competition will get employees to develop multiple interests.				
 Stress Management Measures	Stress management tests (Full physicals and psychiatric counseling)	Every two years, Fubon has all of its employees get a full physical exam, and it also collaborates with the Taiwan Institute of Psychotherapy to provide employees free mental health counseling to help them get a clear picture of their physical and mental health conditions.				
	Legal Counseling Services	Fubon provides employees free legal counseling services in cooperation with a top-notch outside law firm to give employees access to professional legal services when facing difficulties in life.	67,898	41,844	83,945	94,861
	Massage Stations	Fubon continues to partner with the Suang-Lien Foundation for the Visually Impaired on massage stations staffed by visually impaired licensed masseurs. Since the program began in 2008, it has been expanded to 10 locations to give all Fubon employees access, and has emerged as a model that other companies have sought to learn from and emulate.				

(Continue)

Type	Item	Description	Total Participants (people)			
			2020	2021	2022	2023
 Stress Management Measures	Wellness and Health Seminars	Fubon organizes wellness and health seminars to meet employees' health needs based on the aggregate results of their full physicals and issues that employees have expressed a concern about. It hires experts from different fields to share the latest medical knowledge and provide consulting services.	67,898	41,844	83,945	94,861
	Club Activities	Fubon subsidizes social clubs to encourage employees to organize them at their own initiative. These clubs, including dance, photography, badminton, and basketball groups, give employees more opportunities to have fun after work and let off stress.				
 Others	Medical Services	- Health stations and the Maternal Health Plan: Fubon employs professional nurses with medical backgrounds who occasionally provide medical and health information to employees, including calling employees who are pregnant or have given birth within the past year to check up on them. - Clinical services: Taipei Fubon Bank has expanded clinical services in diverse fields, and now provides ObGyn, family medicine and rehabilitation services to meet the needs of employees.	1,233	13,640	12,522	20,930
	Fubon EDU Program	The program revolves around going on educational field trips that emphasize supporting eco-friendly agriculture, environmental education, and food safety. The activities, which demonstrate Fubon's concern for environmental issues, range from planting crops to video screenings and information sharing on related topics (such as food safety and green living).				
Total no. of times employees participated in activities			97,474	66,677	128,437	161,822

Note: Aside from internal management mechanisms, Fubon Financial Holdings uses reputable third parties to conduct safety and health certifications. The Company and its subsidiaries continue to receive Taiwan iSports enterprise certification from Taiwan's Sports Administration every three years.



Absentee Rate

Absentee Rate Chart

Type		2020	2021	2022	2023
Absence Days	Total	20,251	21,350	23,721	35,157
	Male	5,133	6,018	6,481	10,089
	Female	15,118	15,332	17,240	25,068
Absentee Rate	Total	0.53	0.55	0.60	0.75
	Male	0.35	0.41	0.43	0.57
	Female	0.64	0.65	0.71	0.86

Note 1: Absentee rate = (No. of lost days + sick leave days)/(total workdays × no. of employees).

Note 2: The figures on this chart do not include Fubon Life's outside sales agents or fixed-term contract workers.

Occupational Hazards

		2020	2021	2022	2023
No. of People Injured from Occupational Hazards	Male	20	18	12	17
	Female	36	32	40	27
No. of Occupational Deaths	Male	0	0	1	0
	Female	0	0	0	0
No. of Lost Days	Male	267	1,250	6,039	273
	Female	269	1,038	491	726
Disabling Injury Frequency Rate	Male	1.71	1.52	1.08	1.17
	Female	1.91	1.69	2.07	1.14
Disabling Injury Severity Rate	Male	22	105	500	19
	Female	14	55	25	31
Percentage of All Employees Who Suffered Occupational Injuries		0.37	0.32	0.34	0.23
Total Man-Hours Worked		30,405,888	30,828,192	31,379,976	38,093,016

Note 1: Fubon Life sales agents are not included in this table. Also, due to personal information protection restrictions (medical records are considered to be special personal information), the Company does not collect information on occupational injuries of fixed-term contract employees and non-employees.

Note 2: Disabling injury frequency rate = (No. of occupational injuries × 106/total man-hours worked = (Injuries + deaths) × 106 / (employees × days worked × 8 hours) (calculated to two decimal places without rounding)

Note 3: Disabling injury severity rate = (No. of days lost to occupational injuries × 106)/total man-hours worked (calculated to a non-rounded integer)

Note 4: Total workforce hours worked = Total number of working days in the year × hours worked per day × employed people at end of year

Note 5: The statistics in the table are calculated based on the number of casualties, days lost, disabling injury frequency or severity rates resulting from occupational accidents and total man-hours worked as defined by the Ministry of Labor's Occupational Safety and Health Administration.

Note 6: The main type of occupational injury suffered by employees were injuries sustained in traffic accidents on their way to and from work and from traffic accidents that occurred while they were out on company business.

Note 7: The Company did not have any occupational illnesses or serious occupational injuries occur in 2023, nor did it have any fires at its facilities.

Note 8: The Company's deaths caused by occupational injuries rate in 2023 was 0. (No. of deaths caused by occupational injuries × 106)/total man-hours worked.

6

Connection: Connecting Society's Positive Forces



2023 Highlights

• The Outcomes of "Run for Green™" Campaign in the Past Three Years

Fubon Financial
Holdings

- Fubon Financial Holdings has teamed up with eight cities and counties on a "Run For Green™" campaign to plant trees in those areas based on distances run in marathons. More than 73,000 trees had been planted as of the end of 2023.
- "Run For Green™" campaign was honored by the Taiwan Institute for Sustainable Energy Research (TAISE) with a "Creativity in Communication" award for a second year in a row.

• Invested NT\$20 Million to Support Domestic Cultural and Art Groups and Activities

Fubon Financial
Holdings

Mobilized group resources in support of domestic cultural and art groups and activities, injecting more than NT\$20 million into the promotion of cultural equity and development.

• The Dementia Wristband Received 2023 Muse Design Awards

Fubon Life

Fubon Life designed a new dementia wristband called "Window" that received two 2023 Muse Design Awards for conceptual design in the Health Care and Aging categories.

• "Friendly Finance" sections

Taipei Fubon
BankFubon
InsuranceFubon
Securities

Set up "Friendly Finance" sections on their websites, and received National Communications Commission (NCC) certification for web accessibility.

2024 Priorities

- Strive to expand financial inclusion, so that everybody can have access to outstanding financial services.
- Provide a wide range of financial education opportunities to engender more widespread financial awareness and knowledge.
- Continue to expand localized financial and community services, and play the role of connecting social resources.



6.1 Financial Inclusion

6.1.1 Accessible Financial Products and Services

Always concerned about the impact of social changes, Fubon Financial Holdings harnesses its financial competencies to roll out microinsurance plans, charitable trusts and other innovative financial products and services to deal with such changes. The company also helps the government in promoting policy-driven loans to eliminate poverty and contribute to a stable society.

Financial Inclusion Product and Services

Product	Targeted Clients	Description	Active Accounts as of End 2023	No. Underwritten in 2023
 Loans	Young People	Taipei Fubon Bank offers student loan to let most students not have to be worried about paying for tuition fees when they are at school; According to the policies announced by the government, lower loan rate will be provided for young people consistently. (Student Loan)	118,850 accounts	42,771 loans
 Savings Accounts	Seniors (aged 65 and over), People with disabilities, low-income households, NGOs representing people with disabilities.	People who open these special "low-income, disabled and elderly care" savings accounts earn 0.7% interest, higher than the standard 0.57% paid on regular savings accounts.	Around 38,566 accounts	38,566 accounts
 Microinsurance	Low-income Households 20 categories of people classified as economically disadvantaged, including low- to middle-income households, people with disabilities, people with Indigenous, farmer or fisherman IDs, people helped by NGOs or their family members.	As a corporate citizen who committed to social responsibility, Fubon provides insurance policies offering basic coverage against specific risks to people who are economically disadvantaged or have specific vulnerabilities; Taipei Fubon Bank serves as a sales agent for Fubon Life's to sell "One-year Term Life Microinsurance" to those who are eligible. Fubon Life provides insurance products offering basic coverage against specific risks to people who are economically disadvantaged, including coverage for death and disability caused by illnesses or accidental injuries, protecting the insured from economic difficulties triggered by an accident; these products feature basic coverage amounts, low premiums and easy-to-understand conditions.	People Insured 68,183	Policies 5,268
 Investment	Elderly Groups	Taipei Fubon Bank offers special trust products to give the elderly greater financial security. These products help customers use their funds effectively while ensuring their assets remain safe. "Guardian" trust customers can decide on their own how they want to allocated current deposits and time deposits. "Housekeeper" trusts have added a "smart deposit allocation" tool. If a customer requests that a monthly payment be made, the bank will automatically hold back enough money in the current deposit account to meet the pre-set payment amount. Other funds are put into time deposits to earn interest. If there is an emergency or a new annual payment obligation, part of the time deposit can be canceled and the amount moved to the current deposit account.	27 people	Policies 27

	Targeted Clients	Description
 Barrier-free Services	People with disabilities	Taipei Fubon Bank was the first bank in Taiwan to initiate both in-person and video conference sign language interpretation services, introducing the services at its branches starting in 2021. In addition, the Bank's online bank and online ATMs that provide customers with visual impairments more accessible financial services both received Accessibility A ratings; they are both capable of supporting screen reading software used by people with visual impairments. In 2023, these online banking systems were logged into 5,235 times. A "Friendly Finance" section has also been set up on the Taipei Fubon Bank website, which has received "Accessibility 2.1" certification from the National Communications Commission (NCC) and earned the highest possible "AAA" accessibility rating.

(Continue)



	Targeted Clients	Description
 Barrier-free Services		Fubon Life also joined with the Taiwanese Association of Sign Language Interpreters to offer sign language interpretation services at its 10 customer service locations in Taiwan. Depending on a customer's needs, a member of the service team can arrange for an interpreter to provide service via video conference. Customers can also arrange in advance to have an interpreter available at a branch location at a specific time to help with communications. Related information is posted on the "Friendly Finance" section of the Fubon Life website so that customers can clearly understand service messages.
	People with disabilities	- Fubon Securities has set up a special section on accessible financial services on its website that meets National Communications Commission "Accessibility 2.0 Label" certification standards. The site enables people with visual or hearing impairments to find out whether a service location meets their needs before going there. - Fubon Securities has also teamed up with the Taiwanese Association of Sign Language Interpreters to offer sign language interpretation services, and by the end of 2023, the service had become available at its 56 branches, making Fubon Securities the first company in the securities sector to provide this option.
	Elderly groups, people with disabilities, individuals living in remote areas	Fubon Insurance launched a "Next2U Remote Video Conferencing Authentication" feature, allowing customers to use their mobile phone or another mobile device to get insurance via video conference with a sales agent. The feature saves sales agents the need to visit customers in person to work through policy details. It also has eliminated any inconvenience a face-to-face meeting might create for the elderly, people with disabilities, and individuals living in remote areas. In 2023, the service was used 2,645 times, and regulatory authorities approved the expansion of the system's services on a trial basis. Fubon Insurance has set up a "Friendly Finance" section on its website, earning it NCC "Accessibility 2.0" certification and the highest AAA rating. The section provides people with disabilities descriptions of products, service channels, accessibility measures, and other related information.
	Migrant workers	With the number of overseas migrant workers in Taiwan on the rise, Fubon Life has installed translation machines at its 10 customer service locations around Taiwan to provide help with translations in real time, providing these policyholders from abroad important services in their mother tongue. The service enables barrier-free communication between the office staff and customers, leaving these overseas workers a more positive impression of their experience.

Financial Inclusion Non-Financial Support

Non-financial Support	Target Clients ^{Note 1}	Description	Results
 Financial or Digital Literacy Training	Social welfare groups	Taipei Fubon Bank and social welfare groups organize various financial education and trust seminars that use case studies to promote trust concepts.	- Ten seminars held, attended by 486 people, including representatives of social welfare groups, people those groups care for, and members of the public. - Worked to raise the level of knowledge about finance and trusts.
	People with disabilities	- In 2023, Taipei Fubon Bank's Budding Tycoon Money Management Camp program collaborated with the Deaf and Hard of Hearing Welfare Promotion Association R.O.C. to hold special sessions for students with hearing impairments. The instruction was conducted in small class sizes, and sign language interpreters were in attendance to help answer students' questions on the spot, helping the students learn financial and money management concepts. - Taipei Fubon Bank teamed up with the Parents' Association for the Visually Impaired to hold an empowerment class for youth groups. It was an example of the lifelong learning opportunities the bank provides to people with visual impairments to narrow inequalities in financial literacy education. - Taipei Fubon Bank held a Budding Tycoon Management Camp for Taipei high school and vocational school students with disabilities in December 2023, providing special needs students financial knowledge and a learning experience that was different than what they would be exposed to in school.	- Organized three Budding Tycoon Money Management Camps dedicated to students with hearing impairments; a total of 41 students attended. - Held one empowerment class for groups of youth with visual impairments; a total of 15 students attended. - Two special education students hired at Taipei Fubon Bank branches through the "Wings Branch" financial training program; one hired on a contract basis in January 2023 to work at the Songshan Branch as an assistant facilitator, the other on a full-time basis in August 2023 at the Keelung Rd. Branch as a member of the staff. Also, three Budding Tycoon Money Management Camps were held for special education high school and vocational school students, attended by 38 students.
	The elderly	Dedicated to creating a welcoming environment for older customers and serving them with care, Taipei Fubon Bank teamed up to develop a board game with MacKay Memorial Hospital called "Prosperous Life" that imparts financial knowledge and illustrates commonly used financial scams. The Bank also joined with the Hondao Senior Citizen's Welfare Foundation to promote activities related to the game.	Held 23 game activities for seniors with the Hondao Senior Citizen's Welfare Foundation.
 Technical Support	Microbusinesses ^{Note 2}	Taipei Fubon Bank offers business customers an online banking platform - Fubon emerging Business Online (FeBO) - that they can use to check and manage their accounts whenever they want to. These platforms help businesses keep track of their cash flows and mitigate payment risks. Customers can also arrange a variety of transactions whenever necessary, giving them maximum cash flow flexibility across different regions.	In 2023, the FeBO platform had 8,832 accounts and handled around 580,000 transactions, up about 10% from the previous year.
	People with disabilities	Taipei Fubon Bank, the Suang-Lien Foundation for the Visually Impaired, and Fon-Star International Technology collaborated on a "Signature and Assistive Reading Device," which is available at all of the bank's branches. The bank also designed "brand identity stickers" with rough surfaces that helps people with visual impairments know they are using a Fubon credit card or passbook based on feel. These stickers are provided to customers who need them.	As of the end of 2023, 895 Signature and Assistive Reading Devices had been installed in bank branches, and another 1,800 had been donated to eight groups that care for people with disabilities.

Note 1: Includes microbusinesses, low-income households, people living in remote areas, relatively vulnerable women (including female entrepreneurs), people with disabilities, young people, overseas migrant workers, the elderly, people who have not received an education, and forcibly displaced people (such as refugees, asylum seekers, and others who need international protection).

Note 2: Business with 10 or fewer workers, less than US\$100,000 in assets, and less than US\$100,000 in annual revenues.

6.1.2 Services and Products for the Elderly

Fubon Financial Holdings aspires to facilitate the well-being of each age group. Taiwan's aging population calls for long-term care services, health insurance that covers out-of-pocket costs for special medical materials, and lifetime pay-as-you-go insurance. In response to the demand, and the regular occurrence of applicants with impaired risks being denied insurance coverage, the Company has developed a variety of insurance products to fill the gap between supply and demand. With this group of disadvantaged customers in mind, we include spillover benefits to encourage policyholders to control blood sugar levels, using reduced premiums as incentives. The approach strengthens policyholders' health consciousness while reducing the risk of claims.

With Taiwan increasingly becoming an aging society characterized by a low birth rate, Taipei Fubon Bank has actively promoted elder care trusts, using big data analytics to develop the right services to more effectively assist clients with asset trusts and build a client base. Meanwhile, leveraging the influence of its local branches across Taiwan, the bank has teamed up with social welfare groups to hold various presentations on trusts to reach out to untapped customer bases. Through casual interactions and easy-to-comprehend case studies, potential customers can learn about the purposes and advantages of trusts.

Services for Seniors

Fubon actively takes steps to protect the rights and interests of older customers and assess their risk profiles to foster comfortable and secure lives for customers in retirement.

	2023 Action Plans	Outcomes/Benefits
Fubon Life	 Wristbands for People with Confirmed Diagnoses	Continued a partnership with the Federation for the Welfare of the Elderly on a hospital coordination program through which dementia patients are given a dementia bracelet after a doctor confirms the diagnosis; a total of 1,787 bracelets were distributed in 2023, bringing the cumulative total to more than 17,000.
	 Care for Seniors with Dementia	- Collaborated with National Taiwan Normal University's Department of Design on an industry-academia project to optimize the design of dementia wristbands, promoting innovation based on the needs of society; the new design, called "Window," focused on reducing stigmatization and making the wristbands more fashionable and personalized, and it won two 2023 Muse Design Awards for conceptual design in the Health Care and Aging categories. - Co-organized an "International Federation of Dementia Care Forum" with the United Daily News in 2023; invited Dr. Jennifer Bute, author of "Dementia from the Inside," to participate via live stream from overseas, as well as experts in various fields of dementia to share information on how to prevent dementia, how to respond if one is diagnosed with dementia, and the role of spiritual care. They also highlighted case studies of how seniors with dementia fall victim to financial scams and presented anti-fraud measures or advices, helping seniors avoid financial exploitation and safeguard their financial security. The forum reached more than 12 million people. - Partnered with the Federation for the Welfare of the Elderly on a "Wear Hope, Find You" Festival during World Alzheimer's Month; the festival encouraged young people to develop dementia related knowledge and appreciate the importance of caring the risks of getting lost for dementia patients and giving support while encountering a missing case.
	 Medical Service Accessibility Project for Senior Citizens in Remote Areas	- Partnered with the Formosa Cancer Foundation to provide transportation subsidies to elderly cancer patients living in more remote parts of Taiwan; subsidies of NT\$8,000 are given to help patients get to doctor's appointments. In 2023, more than 400 cancer patients received assistance. - Invited celebrity Esther Huang (Hsiao Hsun) to serve as a "Guardian Ambassador"; through a video documenting the treatment of cancer patients living in remote areas, she urged people to care about this issue and donate money to the Formosa Cancer Foundation. Fubon's ongoing support helped the foundation raise NT\$8.85 million from 2017 to 2023.
Taipei Fubon Bank	 Elder Care Trusts	- Elder care trusts had assets of NT\$6.323 billion at the end of the year, up more than 58% from a year earlier, because of branch training and seminars for customers held during the year introducing the concept behind elder care trusts. - In 2023, Taipei Fubon Bank handled 368 new asset trusts to care for the elderly and people with disabilities, benefiting 1,023 people. - Received an "Impact Trust Service Award" in the Wealth Magazine "Taiwan Financial Awards"; was also honored with a "Best Securities Innovation Award – Gold Award," "Best Family Trust Innovation Award – Excellence Award," "Best Trust Product Integration Innovation Award – Excellence Award," and "Best Technological Innovation Trust Award – Gold Award" from the Commercial Times.
	 Elderly Care and Protections	- All branches have service areas dedicated exclusively to older customers equipped with reading glasses, wheelchairs and easy-to-understand charts explaining banking procedures to help seniors bank more efficiently and comfortably. Among those charts is a display in big, easy-to-read letters showing how to open an account and things customers have to pay attention to, helping seniors to read and understand key instructions. In addition, a special section for seniors has been set up on the website, offering videos on preventing scams in both Mandarin and Taiwanese, which had been viewed 98,000 times as of the end of 2023. - Established "Guidelines for Serving Seniors" and "Dementia-friendly Service Guidelines" to help branch employees treat the elderly and customers with dementia properly and respectfully; training for employees in these areas was also provided, with nearly 4,000 employees receiving such training in 2023. - For customers aged 65 and above, risk profile assessments are conducted and some customers are subject to the highest level of control based the results. Before a customer in the high-control group makes a transaction, a customer relationship manager fills out a form noting the customer's financial cognition, ability to perform tasks, and general health. Also, a "risk warning" is issued for every transaction. If customers in this category use Fubon's internet or mobile banking platforms to make an investment transaction, smart status checks are in place that require the customer to answer a series of questions correctly before the investment transaction can be made.
Fubon Securities	 Risk Profile Assessments for Elderly Customers	Appropriate risk profile assessments conducted for elderly customers, with controls imposed based on each customer's risk level, including issuing a risk notification before every transaction.
	 Super-easy Service Initiatives for Seniors	- Fubon Securities has adopted several measures to help older customers, including voice-assisted functions when they use the e-trading app to buy or sell stocks. Customers can use voice commands for everything from checking a stock to placing a trade order. - Was the first domestic securities firm to provide a toll-free hotline for older customers; when customers aged 65 or over use the hotline to call the customer service center, they are put through directly to a customer service associate rather than having to navigate a phone menu; service is provided in both Mandarin and Taiwanese. - Business card-sized magnifiers given out for free at all branches for elderly customers to use.

(Continue)

	2023 Action Plans	Outcomes/Benefits
Fubon Insurance	 Taiwanese Customer Service Hotline for Seniors	Introduced a customer service hotline for seniors using Taiwanese (0809-006880) in July 2023, opening a new way to access service for older customers who feel more comfortable speaking Taiwanese than Mandarin; the hotline's recordings provide information in Taiwanese using terms and explanations easy for seniors to understand. When a call comes in, it is transferred to a highly experienced customer service assistant fluent in Taiwanese, who first confirms that the caller is a Taiwanese speaker 65 or over before offering assistance. The service exemplifies financial inclusion through a spirit of Treating Customers Fairly.
Fubon Asset Management	 CIER Retirement Fund Management and ETF Investment Study	- Every year since 2017, Fubon Asset Management has commissioned the Chung-Hua Institution for Economic Research to do a survey-based study on Taiwanese citizens' financial needs for retirement and ETF investments, and to also analyze the retirement planning practices of different age groups. Based on the study's findings, the company has continued to issue ETFs that reflect future long-term trends and hold forums on retirement finance to help local residents plan their retirements. - The company has held nine forums from 2019 to 2023 on ways to deal with Taiwan's aging society and the development of local wealth management products for retirement. A total of more than 2,900 people have attended the forums in person and 300,000 have followed them online.
Taipei Fubon Bank Charity Foundation	 Senior Care Active Aging Program	Organized several activities for seniors to promote healthy aging, including the "Fubon Jiazi Singing Competition," "Happy Train Program" outings, a "Give Family Caregivers a Breather" initiative for caregivers, a music therapy initiative, an elderly support "No Barriers Program," and a "Homecoming Dream Project." A total of 234 events were held, benefiting 7,280 people.

Products for the Elderly

Fubon Life makes it its business to care about people's health and meet the growing needs of Taiwan's rapidly aging society and continues to offer elder care trusts and health-oriented insurance products. In 2023, there were 73,973 Fubon Life insurance policies providing medical coverage for the elderly in circulation, generating premium income of around NT\$2 billion.

Category	Product Name (Based on the actual product name in use as of the end of 2023)	Features	2022 Policies/Income		2023 Policies/Income	
			Number of valid policies	Premium income (NT\$10 thousands)	Number of valid policies	Premium income (NT\$10 thousands)
Hospitalization Insurance for Seniors	Hospitalization Whole-life Insurance Rider	Most pay-as-you-go medical insurance policies only protect people to the age of 75. Given that life expectancy is rising in Taiwan and out-of-pocket medical costs continue to increase, Fubon introduced pay-as-you-go hospitalization insurance that extends to the end of the policyholder's life.	910	2,571	1,076	2,880
Products for Seniors - Long-term Care Insurance	- Long-term Care Whole-life Insurance - Full-Care Whole-life Health Insurance - Long-term Care Term Health Insurance - Long-term Care Whole Life Insurance - Fubon Life Long-term Care Whole Life Health Insurance Rider	Offers policyholders a variety of options by diversifying long-term care products, including long-term care insurance that covers physiological disabilities, cognitive disabilities, and specific diseases that require long-term care.	23,969	73,492	31,087	133,290
Coverage for Special Medical Devices and Whole-life Medical Insurance	- Senior Wellness Whole-life Health Insurance - Whole-life Medical Insurance - LOHAS Whole-life Health Insurance - Regular Health Insurance Rider*	Provides coverage for devices such as coronary stents, artificial hips, artificial knees, and artificial intraocular lenses often needed by older people; introduced a medical savings account insurance plan that includes coverage of outpatient expenses not covered by the national health insurance system. In 2023, introduced a 10-year coverage plan for people in an age range when cardiovascular disease often hits (40-65), focusing on reimbursing the cost of medical devices and supplies used to tend to or surgically treat heart disease.	3,453	9,173	3,472	9,084
Deductible Pay-As-You-Go Hospitalization Insurance	- Hospitalization Term Insurance Rider - Hospitalization One-year Term Insurance Rider (A) - Practical Hospitalization Term Insurance Rider - Hospitalization One-year Term Insurance Rider (B)	Given the rise in self-paid medical expenses, Fubon introduced a deductible pay-as-you-go medical insurance addendum. Policyholders can choose to top up the amount of coverage to include the daily cost of a hospital room, the costs of hospitalization, and hospital and outpatient surgeries. Fubon also offers policyholders a variety of plans from which to choose.	23,350	13,312	35,785	21,467
Retirement Return-of Premium Whole Life Insurance	- Enjoy Wealth Return of Premium Whole-life Insurance - Foreign Currency Variable Interest Rate Pension Insurance* - Foreign Currency Variable Interest Whole-life Insurance*	To maintain the national income replacement ratio among retirees, Fubon introduced return of premium lifetime insurance policies with different premium plans of different maturities. Under these plans, policyholders can start claiming money back at a pre-designated age, given them a steady cash flow, while also being covered by life insurance.	657	11,144	1,325	33,669
Cancer-prevention Health Insurance	Cancer Prevention Fixed Term Health Insurance*	Designed for people aged 55-80, this insurance provides health coverage for retirement and includes a one-time cancer benefit payment that can help with a sudden huge medical bill or cope with a loss in income.	-	-	1,228	2,463

Note: * * Insurance product offered for the first time in 2023

Health Management Products

Fubon Life has introduced impaired-risk insurance for diabetes sufferers that offers them comprehensive coverage. The concept behind traditional insurance policies is to provide a benefit after something happens. In contrast, “spillover” policies, such as impaired-risk policies for diabetes, are proactive, providing discounts on premiums to policyholders who effectively manage their own health. We also used an app from Health2Sync to encourage policyholders to manage their health. The policy was the first to offer discounts on premiums based on blood sugar data. The lower a user's glycated hemoglobin (HbA1c), the steeper the discount, up to a maximum of 40% off, an incentive that stresses prevention to keep people healthy. Different from other spillover policies, Fubon Life and Taipei Fubon Bank teamed up in 2023 to offer Taiwan's first blood donation spillover policy, which provides whole life insurance coverage while encouraging people to donate blood and get a health management premium discount for the health benefits of blood donation. The policy protects against risk while promoting health management. In 2023, Fubon Life had 123,226 active “spillover” policies in circulation, which generated NT\$6.1 billion in premiums.

Category	Features	Product Name (Based on the actual product name in use as of the end of 2023)	2023 Policies/Income		
			Number of Valid Policies	Premium Income (NT\$10 thousands)	Health Promotion Policy Impact
Impaired-risk Insurance for People with Diabetes	Offers medical coverage to people with diabetes while giving them an incentive to manage their health; through this approach, health promotion concepts spill over into the policy.	Smart Term Health Insurance	725	1,571	328
Walking Spillover Policies	Aside from providing basic insurance coverage, the policy also incorporates health management concepts through the use of a wearable fitness device. Customers who walk a certain number of steps can get a discount on their premiums or health management rebates.	- Walker Term Health Insurance - E-Term Life Insurance - GO Term Health Insurance for Critical Illness - Better Life Cancer Prevention Term Health Insurance* - E-Term Health Insurance*	3,279	4,065	115
Cancer Checkup Spillover Policies	Aside from providing basic insurance coverage, the policy also provides policyholders with next-generation circulating tumor cell testing and tumor marker testing. Policyholders can use this insurance product to better manage their health and get a discount on their premiums.	- Fuyi Heritage Variable Interest Rate Whole Life Insurance - Increased Value Health and Critical Illness Life Insurance - Foreign Currency Variable Interest Rate Type Whole Life Insurance - Cancer Prevention Fixed Term Insurance - Fixed Term Health Insurance - Fuyi Foreign Currency Variable Interest Rate Type Whole Life Insurance - Hsinmei Foreign Currency Variable Interest Rate Type Whole Life Insurance - Yihsin Hsiangfu Variable Interest Rate Whole Life Insurance - Fukang Variable Interest Rate Whole Life Insurance for Seniors - Cancer Prevention Term Health Insurance (spillover policy) - Huafu Manyi Variable Interest Rate Whole Life Insurance - Huafu Meiyi Foreign Currency Variable Interest Rate Whole Life Insurance - Fugui Variable Interest Rate Whole Life Insurance*	29,281	415,730	20,108
Standard Physical Checkup Spillover Policy	Aside from providing basic insurance coverage, the policy also provides physical checkup services. The physicals provided include: standard health checks, long-term care disease checks, cardiovascular disease checks, and cancer checks. The product's main goal is to encourage policyholders to manage their own health and detect diseases at early stages.	- Health (In-kind benefits type) Insurance - Major Injury/Illness Whole Life Health Insurance	50,856	73,161	824
Designated vaccination and checkup spillover policy	Regular physical checkups can help detect potential diseases or risk factors at an early stage, leading to early treatment. Getting vaccinated can reduce the risk of getting sick, getting seriously ill, or dying.	- Medical Treasure Major Injury/Illness Term Health Insurance (V1) - Yiyanghe Major Injury/Illness Term Health Insurance - Gold Protection Whole Life Health Insurance - Medical Reassurance Major Injury/Illness Insurance - Blood Donation Variable Interest Rate Whole Life Insurance*	38,813	90,379	2,874

Note: * * * Insurance product offered for the first time in 2023



6.2 Promoting Education

6.2.1 Financial Education

Leveraging its core competencies as a financial institution, Fubon promotes education through three primary projects – the “Budding Tycoon Money Management Camp,” “Future Tycoon Outreach Program,” and “Talent Cultivating Program.” The projects, held mainly at schools, provide a diverse range of financial education opportunities to elementary school students, underserved schools, and college students. In 2023, Taipei Fubon Bank's Budding Tycoon Money Management Camp held a total of 36 sessions, including three events for students with hearing impairments in partnership with the Deaf and Hard of Hearing Welfare Promotion Association R.O.C. and two sessions for schools in remote areas together with the Fubon Cultural and Educational Foundation. To broaden the reach of this financial literacy initiative, Taipei Fubon Bank joined hands with PaGamO to launch the “Budding Tycoon Growth Diary” online financial empowerment course in late 2023. The course was rolled out initially at 343 elementary, junior high and high schools in Hualien and Changhua counties. The “Fubon Tycoon Outreach Program,” dedicated to bringing financial education to elementary schools around Taiwan, has been run by the Fubon Cultural and Educational Foundation in collaboration with Taipei Fubon Bank since 2012. In 2023, it introduced free online courses through the “Fubon Financial Literacy Online Learning School” covering five major themes – savings, consumption, income, investment and sustainability – helping impart proper attitudes toward money and basic financial knowledge to young Taiwanese both online and offline.

Fubon Asset Management participates in Fubon's vocational college and university talent cultivation program through collaborations with National Taiwan University, National Sun Yat-Sen University, National Chung Cheng University and National Chi Nan University. Lectures and hands-on courses are used to give students an understanding of how investment portfolios are managed and how the asset management sector puts into practice ESG-oriented and sustainable investing. Fubon Securities works with schools involved in special projects with the [Fubon Charity Foundation](#) to help children in underserved areas pick up financial knowledge and concepts through interactive games. It also teamed up with a well-known podcaster in 2023 on a series of programs (three shows in 2023) on teaching financial English to children, strengthening Fubon's ESG education outreach. Fubon Insurance introduced in 2023 the third in a series of digital picture books called “Looking for Mountain Treasure” that conveyed information on hiking safely and maintaining a safe home environment, strengthening awareness of risks encountered in daily life.

2023 Financial Education Projects

Projects	Issues Addressed	Impacts	Benefits/Outcomes	2021	2022	2023
Budding Tycoon Money Management Camp Parent-Child Financial Management Education	Provide equitable and high-quality financial education and foster awareness of sustainability at an early age	- Establish a healthy attitude toward money and financial knowledge - Become familiar with and get into the habit of sustainable consumption	Parent-child activities (number of events)	30	30	36
			Total participants (people)	251	318	487
Future Tycoon Outreach Program Fubon Financial Literacy Online Learning School	Reduce the urban-rural disparity in financial literacy education	Nearly 80% of the elementary school students in the program said it made them feel smarter about financial topics	Campus tours (events)	21	12	34
			Students and teachers who benefited (people)	1,682	1,021	3,399
Asset Management Talent Cultivation Programs	Nurture asset management talent	- Convey risk management concepts and the professional ethics needed in the asset management field - Help students gain familiarity with ESG investment concepts and practices	Special lectures (people)	134	186	199
			Course applications (people)	67	120	120
			Course participants (people)	50	77	105
			Participating schools (unit)	2	3	4
Financial Literacy Education Promotion	Bring financial knowledge and wealth management concepts to disadvantaged groups (including children and people with disabilities)	- Boosts the financial knowledge of students in underserved areas - Expands the impact of financial education	Engagement (events)	5	7	9
			Students and teachers who benefited (people)	368	616	632
	Instill in children proper attitudes toward money in daily life	- Widens the reach of ESG education - Promotes financial literacy education for children in English	Unique listeners (times)	-	121,960	341,865
Promotion of Child Risk Education	Offers free online risk education and organizes related offline activities	- Spreads knowledge about life risks - Improves children's cognizance of risk - Lowers the probability of accidents occurring	Online teaching material exposure (times)	7,778	22,357	296,481
			Participation in offline activities (people)	640	1,192	1,307



A strong advocate of financial empowerment, Taipei Fubon Bank continues to hold Budding Tycoon Money Management Camps to help children nurture healthy attitudes toward money.



The Fubon Cultural and Educational Foundation introduced free online financial literacy courses that use fun role-playing exercises to teach the ins and outs of finance.



As part of its talent cultivation program, Fubon Asset Management held joint lectures and hands-on classes for students at four schools that taught them about ESG-oriented and sustainable investing.

6.2.2 Empowerment and Promotion

Cultural Empowerment

Conceived primarily to run the **Fubon Art Museum**, which was formally established in May 2023 before opening in early 2024, the Fubon Life Art Museum Foundation has focused on making preparations for the new museum, from exhibition planning and guide design to educational policy, brand strategy, product development, and training of museum personnel. It has also been involved in curation, working with top art museums around the world to bring in international-standard exhibits, while also reimagining the Fubon Art Museum's exhibition promotion strategy and its educational direction. In 2024, the foundation expects to introduce outstanding exhibition experiences that are full of inspiration. Dedicated to "bringing art closer to life and life closer to art," the **Fubon Art Foundation** has remained true to its founding mission of "sharing" in its 27 years of promoting art. It continues to use Fubon spaces to inject aesthetic beauty into people's lives.

The **Fubon Cultural & Educational Foundation** is dedicated to preserving and digitally restoring films and similar cultural assets. It spent NT\$2 million in 2023 to support the "Film Collectors Museum," which highlights the importance of film maintenance through research on collections, event guides, and restoration workshops. In 2023, the foundation was commissioned to restore the earliest recorded images of a nationally important folk festival in Tainan, giving the museum the opportunity to preserve lost images of the parade formations in an effort to rescue collective memories and important historical images.

In 2023, Fubon Financial Holdings harnessed group resources to support domestic cultural and art groups and activities, investing NT\$20 million to sponsor eight concerts, two movies, and two stage productions. One of them was the "Taipei Music Academy & Festival," which brings together international musical masters and up-and-coming Taiwanese stars. A total of 74 young musicians were mentored and performed at the festival. The Company also supported the National Kaohsiung Center for the Arts' The Weiweyung Inclusive Project - "Eyes and Ears", dedicated to making the center's facilities more accessible, and the center's Weiweyung Children's Festival, sponsorships that promoted cultural equality and encouraged cultural empowerment.

Projects	Impacts	2023 Benefits/Outcomes
Museum without Walls	- Facilitates daily engagement in art - Enhances art and cultural literacy	90 local and foreign artists
Fubon Forums/ International Forums	- Enhance public knowledge on global art and culture - Inject the dynamism of art into daily life	28 local and foreign lecturers
Artistic items	Promotes the vision of bringing art into life and life into art	4,926 artistic products
Fubon ART App Artistic Calendar		30 local and foreign artists
Film Collectors Museum	- Preserves the film industry and cultural assets - Passes down of the film industry and technology	71 restoration workshops



Fubon sponsored the National Kaohsiung Center for the Art's Weiweyung Children's Festival, which supported youth cultural empowerment in southern Taiwan. (Photo courtesy of National Kaohsiung Center for the Arts)



Joined the National Kaohsiung Center for the Arts in promoting The Weiweyung Inclusive Project - "Eyes and Ears" designed to making the center's facilities more accessible and encourage people with disabilities to take part in art events. (Photo courtesy of National Kaohsiung Center for the Arts)



Children and Youth Empowerment

Dedicated to passing on knowledge and cultivating talent, Fubon has put a premium on empowering children and youth by creating a diverse range of learning environments and platforms in sports, film education, the arts, and other areas. The Fubon Cultural and Educational Foundation has engaged with children and teenagers for more than 30 years. Its "Young Voice" platform offers courses through the "Young Voice Academy" and "National Rolling Film School," and the foundation has also promoted "momo mini Family Theater" and "momo mini incubation program" to deepen children and youth empowerment in the cultural sphere.

The **Fubon Charity Foundation** is dedicated to helping underprivileged children stay in school and keep them healthy. In 2002, it launched a **"Making Friends with Love"** campaign to help students from poor and disadvantaged families continue their education and built a network of schools to care for them. In 2019, the foundation initiated a **nutritional program for students in remote areas**. Aimed at bringing good health to remote mountainous areas, it has helped students learn about local ingredients and taught them to cook, giving them the ability to take care of themselves and their families. In 2023, the program was expanded to work with six remote elementary schools in the Keelung area. Meanwhile, a "Digital Wings Program" organized with Taiwan Mobile provides free online foreign language courses for disadvantaged children to help them pursue their dreams.

Four Themes	Projects	Impacts	2023 Benefits/Outcomes
Grassroots Baseball	Baseball team & competition sponsorships	Support grassroots baseball and give young players the chance to interact and compete against each other.	- Has supported the "Fubon Bulls," the baseball team of National Taiwan University of Sport, since 1993. - Sponsored the New Taipei City Fubon National U-15 Baseball Invitational Tournament and the New Taipei City Fubon National U-12 Baseball Championships.
Education for the Disadvantaged	"Making Friends with Love" Campaign - Education in Indigenous Townships	- Helps ease the financial burdens of disadvantaged students - Supports the mental and physical health of students in remote areas - Reduces the urban-rural gap	- Mobilized 8,428 donors who gave over NT\$100 million in financial aid, helping 14,975 disadvantaged students continue their studies (NT\$600 in financial aid every month). - The nutritional program for students in remote areas subsidized 1,536 students; held 20 mobile kitchen events and 10 farming education outings, attended by 1,344 students in all. - Ran 9 local afterschool counseling and vocational training classes in Indigenous townships, drawing 305 participants.
Competencies	- Young Voice Website - Young Voice Program	Enhances the ability of young people to think critically and express themselves on a diverse range of issues	- Website browsed 55,748 times; Facebook fan page reached more than 801,556 people. - Teenage beneficiaries and physical exhibitions reached 17,766 people. - Young Voice Program workshops generated 272 works and related videos by young people. - Invested more than NT\$7 million in the program.
Film Education	- National Rolling Film School - Film Education for Children	Establishes competencies in film education	- People benefited more than 470,000 times. - Attracted cooperation from 51 schools, social welfare groups and media. - Total of 29 groups submitted applications for the production talent incubation project, and four groups actually had their shows broadcast and nominated for awards at multiple film festivals; total of 411 schools applied to show the educational video to their students.



The momo mini Family Theater screened top children's films from Taiwan and abroad, inspiring the boundless imagination of young audience.



The "mobile kitchen" visited schools in remote areas, teaching children how to cook tasty dishes.



Irene Chen (fifth from right) represented the Fubon Cultural and Educational Foundation in signing an MOU with the Taiwan Creative Content Agency on strengthening content development and talent cultivation for films and television shows for children and teenagers.



6.3 Facilitating Health

6.3.1 Promoting Good Health for All

Fubon Financial Holdings organizes or serves as the title sponsor of several major competitions that are focused on sports in which there is a high degree of participation in Taiwan: baseball, basketball, golf and running. To realize its sustainability vision, Fubon has its title sponsor events commit to carbon emission reduction and adopt circular economy principles to foster a low-plastic, low-carbon event environment. Fubon Financial Holdings has supported the Taipei Marathon for 15 straight years, and has long backed the New Taipei City Wan Jin Shi, Kaohsiung Fubon, and Changhua Tianzhong marathons, making it the only financial institution to sponsor what are considered to be Taiwan's four major marathons. A brand asset survey in 2023 found that 49.1 percent of respondents knew that Fubon participated in the Taipei Marathon. Through Fubon's advocacy, the marathons it sponsors have gradually reduced their carbon generation, and the "Run For Green™" campaign has encouraged the planting of trees in eight cities and counties based on distances run in those marathons, with more than 73,000 trees planted as of the end of 2023, a tangible example of Fubon's social influence.



Fubon Financial Holdings has sponsored the Taipei Marathon for 15 straight years, and has promoted a Run for Green™ tree-planting, carbon reduction campaign at the race venue.

Fubon runs a Division A amateur baseball team (Fubon Bulls), a top-level professional basketball team (Taipei Fubon Braves in the P. League+), and a professional baseball team (Fubon Guardians in the CPBL) simultaneously. In June 2023, the Taipei Fubon Braves defended their P. League+ title. Fubon Financial Holdings also backed the C.T. Pan Charity Pro-Am event hosted by Taiwanese professional golfer Pan Cheng-tsung, with all of the funds raised donated to the First Social Welfare Foundation.

Fubon Life has been the title sponsor of the "University Basketball Association (UBA)" for eight years in a row. In the 2023 school year, it continued to innovate based on the spirit of Treating Customers Fairly and the company responsibility to act sustainably, staging the finals of all three divisions – Division I, Division II, and the Open Division – at Taipei Arena and holding an exhibition wheelchair basketball tournament. It also made the games more eco-friendly and reminded fans to cherish their natural environment by setting up a special area offering incentives for returning plastic bottles to be recycled. The "Fubon Life Braves College Basketball Tournament," the only cross-department, cross-regional, high-standard basketball tournament for amateur players in Taiwan, was held for the ninth consecutive year. Also in 2023, Fubon Life became the title sponsor of the "Fubon Life ABSOLUTE 3X3 Basketball" tournament featuring 25 teams, including the Chinese Taipei Basketball Association's national men's and women's teams in training. The tournament drew more than 250,000 fans to the games over eight rounds of competition, and the men's and women's national teams used the tournament to prepare for the Hangzhou Asian Games, in which the men won a historic gold medal and the women finished fourth. The results boosted the visibility of Taiwan basketball and brought attention to the sport in Taiwan.

Baseball

Action Plans	Implementation	Impacts	2023 Benefits/Outcomes
Promoting Baseball	- Sport supported at the local level - Sport promoted at schools - Baseball stadium equipment upgraded	Boosts the popularity of baseball and improves the spectator experience	- The Fubon Guardians have played all their home games at Xinzhuang Stadium for six straight years, and efforts continue to deepen the team's roots in the local community. - Guardian players and mascots visited four schools in New Taipei City to promote baseball. - The 2023 brand asset survey found that 44.2 percent of respondents knew that Fubon owned the Fubon Guardians.
Promoting Public Welfare	Equipment donated to be reused	Extends the life cycle of sports equipment	Collected discarded player uniforms, broken bats, and damaged helmets and cleats, certified them as genuine, and provided them to fans as collectibles or turned them into eco-friendly products, giving them new life.
Lowering Carbon Emissions	- Eco-friendly products promoted - Sorting waste for recycling	Gets fans to join together in reducing carbon emissions	- Teamed up with a textile manufacturer to make player uniforms from PET bottles and recycled filaments, creating eco-friendly materials that keep athletes cool and dry while reducing carbon dioxide emissions and energy consumption. - Set up a large-scale "Green Station" in Xinzhuang Stadium made of reusable and recyclable D-board (corrugated paper sheets) that invited fans to protect the environment in-stadium by turning in recyclable materials. - Used "Guardian recyclable cups" at food and drink stands inside Xinzhuang Stadium, making in-stadium beverage sales more eco-friendly; a points reward system made fans more willing to use the eco-friendly cups. - In response to the "Bring Your Own" movement, worked with in-stadium food stands to give a discount on food items to fans who brought their own meal containers, helping reduce the buildup of waste during games.
Green Technology Stadium	Exclusive Team App	Gradually transforming ballpark into a smart, digital, green stadium	- The App used to disseminate digital information and reduce the use of paper game programs, advertising leaflets or other marketing materials seen in the past. - App includes a digital ticketing function, eliminating ticket pickup fees and making ticketing more convenient, helping improve the overall experience.



The Fubon Guardians introduced uniforms from recycled filaments that keep Guardian players cool and dry while reducing carbon emissions.



The Fubon Braves celebrate after winning the 2022-2023 P.League+ championship, their third league championship in a row.



Basketball

Action Plans	Implementation	Impacts	2023 Benefits/Outcomes
Basketball Charity	Industry-academia cooperation: Invited athletes from Taipei Grassroots Competitive Sports Training Centers to visit Fubon and exchange ideas regarding career development in the sports industry	Introduces career paths in the sports industry to athletes	A total of 25 athletes from the Taipei Grassroots Competitive Sports Training Centers visited Fubon and exchanged ideas regarding career development in the sports industry.
Promoting Basketball	- Taipei Heping Basketball Gymnasium used as team's home arena - Promoted Taipei Fubon Braves through marketing campaigns - Provided tickets to students from junior high and elementary schools to home games	- Spurs the development of professional basketball in Taiwan - Drums up public interest in basketball in basketball	- Taipei Fubon Braves had 25 home games during the 2022-2023 PLeague+ season – 20 during the regular season, 2 in the first round of the playoffs and 3 in the finals – with total attendance of 155,245. - Provided 3,100 home game tickets to students from junior high and elementary schools. - The highest number of views online for a Braves' game was more than 330,000 views, which was also the highest for any PLG game in the 2022-23 season; the streams of all Braves games on YouTube drew a total of 9.64 million views.
Grassroots Basketball	Assisted with organizing college basketball tournaments	Cultivates basketball talent	- Title sponsor of the Fubon Life University Basketball Association (UBA) Tournament; in 2023, it drew the participation of over 80% of universities and over 4,100 students. The tournament drew more than 9 million views online and around 130,000 fans to the games in person. - The Fubon Life Braves College Basketball Tournament was staged for a ninth consecutive year; over that time, more than 110 schools and more than 300 different departments have participated - The "Fubon Life ABSOLUTE 3x3 Tournament" drew 25 teams and was a stepping stone for the men's national 3x3 team's gold medal performance at the Asian Games in Hangzhou.



Marathon

Action Plans	Implementation	Impacts	2023 Benefits/Outcomes
International Marathons	Sponsored marathons	- Promotes sports nationally - Launches green initiatives for sports competitions	- In 2023, the Taipei Marathon attracted 2,925 runners from 63 countries, with a combined 25,823 participants in runs of all distances. - The New Taipei City Wan Jin Shi Marathon in 2023 received certification from the Council for Responsible Sport, received ISO 20121 Event Sustainability Management System certification, and completed an ISO 14067 carbon footprint inventory. It drew 11,242 runners. - The Kaohsiung Fubon Marathon embraced the concept of equity in sports by dividing the vision-impaired and wheelchair competitions into men's and women's divisions for the first time while also increasing the total purse for these competitors and the number of participants eligible for prize money. - The Tianzhong Marathon had both road and "Virtual Run" races. Using an app, runners in Taiwan and overseas not in Changhua could still run simultaneously and have their run uploaded and recorded through an app. The online marathon drew 2,118 participants, while 15,840 people ran in Changhua. - Through participation in the four marathons sponsored by Fubon and other designated runs (including annual Iron Man triathlons, the Garmin Run, and the Garmin Virtual Run), runners were able to have 85,009 trees planted in their names.



Golf/Others

Action Plans	Implementation	Impacts	2023 Benefits/Outcomes
Sponsorship of Professional Golfers and Tournaments	- Talent cultivation - Sponsorship of golfers and tournaments	- Cultivates grassroots golf talent and helps pass the game on to young players - Provides stages for professional competitions	- Fubon sponsored 13 elite Taiwanese athletes, the Fubon Bulls amateur baseball team, and the baseball team of Neichung Junior High and Elementary School to cultivate young athletes who show potential. - Sponsored and recommended two amateur players to compete in the AJGA C.T. Pan Junior Championship in the United States, reflecting the basic spirit of sports sponsorship, which is to pass the game on to the next generation. - Held the 2023 Fubon Senior Open and Junior Golf Clinic, giving older pros a stage on which to perform and the chance for young golfers to learn from experienced players.

6.4 Caring for the Disadvantaged

6.4.1 Social Support

Hoping to give back to society, the Fubon Charity Foundation founded the Fubon Volunteer Association. Comprised of Fubon employees, the association actively reaches out to social welfare organizations or individuals in need. The foundation also supports individuals or families in the wake of emergencies by providing living expenses and medical and funeral subsidies through the "Emergency Relief Program." In addition, acting as a bridge between the government and the company by mobilizing public and corporate resources, the foundation introduced a "Poverty-Busting Savings Plan" to help economically disadvantaged students accumulate wealth and shake off poverty. Taipei Fubon Bank and the Taipei Fubon Bank Charity Foundation are dedicated to caring for the elderly and people with disabilities and organize activities to provide them companionship and stages on which they can thrive. As of 2023, the Taipei Fubon Bank Charity Foundation had held the "Fubon Artistic Achievement Awards for the Disabled" 11 times, giving people with disabilities a complete support system for developing their talents.

Projects	Issues Addressed	Impacts	2023 Benefits/Outcomes
Fubon Volunteers Association	Make up for deficiencies in government and social welfare programs	- Strengthens team cohesion - Provides additional resources to social welfare organizations	5,622 volunteers 164 involved in social welfare organizations benefited 94,543 beneficiaries
Emergency Relief Programs	Resolve for the lack of social resources	- Improves well-being - Social resources distributed more effectively	1,254 families benefited 28 people supported by the Poverty-Busting Savings Plan
Encouraging People with Disabilities to Reach Their Potential	Empower people with mental and physical disabilities and enhance their social status	Enhances the skills and increases the income of people with disabilities through exhibitions and touring performances	23,500 beneficiaries 688 performances and training sessions
Taipei Fubon Bank's Efforts in Caring for the Disadvantaged	Strengthen the professional skills development of people with disabilities	Builds skill sets and creates a platform for artists with disabilities	- Displayed the works of 10 artists who have disabilities - Artists' works seen by 20,000 Fubon customers a month



Fubon Charity Foundation board director Cheng Chi-nan (left) awards certificates to "Poverty-Busting Savings Plan" participants in Hsinchu County.



On Fubon Volunteer Day in 2023, some Fubon volunteers joined farmers in the field to remove weeds and invasive plant species from their land.

6.4.2 Community Well-being

Encouraging Healthy Local Environments

Innovative actions have always been at the heart of Fubon Life's efforts to forge a sustainable future. To promote the sustainable development of Taiwan's rivers and land, it initiated a project with the Society of Wilderness in 2021 to investigate the waste in Taiwan's rivers, opening a conservation campaign set to last for at least five years. In the first two years, the project surveyed the Wu River in Taichung and the Touqian River in the Hsinchu area, and in 2023 it completed a re-examination of the Tamsui River while launching a survey of the Houjin River in Kaohsiung. These surveys have yielded valuable information documenting waste distribution hot spots and the types and quantities of waste, helping central government agencies (such as the many river management branches under the Water Resources Agency) and local government units (such as city and county environmental departments) plan cleanups of waste hot spots and optimize river management policies. Meanwhile, the re-examination of the Tamsui River found that 80% of the waste was concentrated in 6% of the river, with disposable utensils accounting for 70% of the waste. To highlight those results, Fubon Life joined with *CommonWealth* Magazine in organizing a "Help the Tamsui River Stay Young" youth forum at Tamkang University in 2023. It created a platform for dialogue between leaders from the public and private sectors and academia, students, and neighborhood residents, and highlights from the event were turned into an electronic white paper posted online for everybody to view. An interactive website was also set up for the first time to share data on pollution in the Tamsui River and changes in river waste conditions over the previous three years, hoping to get people from all walks of life to take an interest and invest time in conserving their local rivers.

USR (University Social Responsibility) Campus Outreach

In support of the Ministry of Education's promotion of university social responsibility (USR), Fubon Life has taken steps to deepen links between industry and academia at the regional level and localize its operations. The goal has been to encourage the younger generation to apply what it has learned into community service and fulfill its civic responsibilities. In 2023, the focus was on two main themes: river conservation and elderly care. Fubon Life worked with seven vocational colleges and universities in carrying out 102 social welfare activities, with more than 160 Fubon Life volunteers and 1,400 university students participating. More than 4,000 people participated in these elderly care activities, financial security and trust education sessions, and programs to deliver meals to seniors living alone or share meals with them, along with river patrols, river and beach cleanups, plastic reduction workshops, and environmental monitoring outings. Meanwhile, Fubon Life joined with National Tsing Hua University on an initiative at Wufeng Elementary School in a remote part of Hsinchu County to have financial literacy take root at an early age. The program used life-like scenarios and interesting interactive games to help students at the school understand basic financial concepts and learn to prepare for the future.



Fubon Life and *CommonWealth* Magazine organized a "Help the Tamsui River Stay Young" youth forum, creating a platform for dialogue between leaders from different sectors, students, and neighborhood residents.



A press conference is held in 2023 to announce the results of the re-examination of waste in the Tamsui River. The event led people from the public and private sectors and academia to join with Fubon Life and the Society of Wilderness in conserving Taiwan's rivers.



Fubon Life and Minghsin University of Science and Technology had seniors and elementary school students from Ruixing Village play a financial literacy board game together. The older players shared their experience while the younger players learned basic money concepts.



Fubon Life and National Taichung University of Science and Technology offered instruction on trusts to people with disabilities to ensure they were aware of the importance of financial protection.



Fubon Life and National Tsing Hua University helped Wufeng Elementary School students learn basic financial and insurance concepts through interactive games.



7

Appendix

7.1 Sustainability Report Index Comparison Table

7.1.1 GRI Sustainability Reporting Standards Content Index

- Statement of use: Fubon Financial Holdings Co., Ltd. follows GRI to publish this report. The report covers performance in economic, social and environmental aspects in 2023 (from January 1 to December 31, 2023)
- GRI 1 used: GRI 1: Foundation 2021
- Applicable GRI Sector Standard(s): G4 Financial Services Sector Supplement Guidelines Integrated reporting

GRI Universal Standards 2021	Disclosures	Extent of Reporting and Explanatory Notes	Page	BSI Opinion Statement KPMG Limited Assurance
GRI 2: General Disclosures 2021	1. The organization and its reporting practices			
	2-1 Organizational details	About This Report	05	●
	2-2 Entities included in the organization's sustainability reporting	About This Report	05	●
	2-3 Reporting period, frequency and contact point	About This Report	05	●
	2-4 Restatements of information	See the charts and notes in each chapter	-	●
	2-5 External assurance	About This Report 7.6 Accountant's Independent Limited Assurance Report	05 100	●
	2. Activities and workers			
	2-6 Activities, value chain, and other business relationships	2.1.1 About Fubon Financial Holdings 2.4.5 Supplier Management	19 37	●
	2-7 Employees	5.1.1 Employee Demographics and Workplace Equality	59	●
	2-8 Workers who are not employees	5.1.1 Employee Demographics and Workplace Equality	59	●
	3. Governance			
	2-9 Governance structure and composition	2.2 Putting Sustainable Governance into Practice	21	●

GRI Universal Standards 2021	Disclosures	Extent of Reporting and Explanatory Notes	Page	BSI Opinion Statement KPMG Limited Assurance
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	2.2 Putting Sustainable Governance into Practice Fubon Financial Holding Co., Ltd. 2023 Annual Report, pg. 33	21	●
	2-11 Chair of the highest governance body	2.2 Putting Sustainable Governance into Practice	21	●
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Operating Sustainably 1.3.1 Materiality Analysis 2.4.2 ESG Risk Management	10 11 31	●
	2-13 Delegation of responsibility for managing impacts	1.2 Operating Sustainably 1.3.1 Materiality Analysis 2.4.2 ESG Risk Management	10 11 31	●
	2-14 Role of the highest governance body in sustainability reporting	About This Report 1.3.1 Materiality Analysis 2.2 Putting Sustainable Governance into Practice	10 11 21	●
	2-15 Conflicts of interest	2.2 Putting Sustainable Governance into Practice	21	●
	2-16 Communication of critical concerns	1.3.1 Materiality Analysis 1.3.3 Stakeholder Communication 2.4.1 Risk Management Framework and Culture	11 15 26	●
	2-17 Collective knowledge of the highest governance body	2.2.1 Board of Director's Operations Fubon Financial Holding Co., Ltd. 2023 Annual Report, pg. 75	21	●
	2-18 Evaluation of the performance of the highest governance body	2.2.3 Performance Evaluation Fubon Financial Holding Co., Ltd. 2023 Annual Report, pg. 67-74	23	●
	2-19 Remuneration policies	2.2.3 Performance Evaluation 2.2.4 Sustainability and Compensation Fubon Financial Holding Co., Ltd. 2023 Annual Report, pg. 44-52	23 23	●
	2-20 Process to determine remuneration	2.2.3 Performance Evaluation 2.2.4 Sustainability and Compensation 5.3.2 Talent Retention	23 23 65	●

(Continue)

GRI Universal Standards 2021	Disclosures	Extent of Reporting and Explanatory Notes	Page	BSI Opinion Statement KPMG Limited Assurance
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	- In 2023, the ratio of the Company's highest individual compensation to the median compensation of the organization's other employees was 41.6:1 (does not include Fubon Life outside agents) - In 2023, the ratio of the percentage increase in the compensation of the Company's highest paid individual to the median percentage increase in compensation of the organization's other employees was 0.7:1 (does not include Fubon Life outside agents)	-	●
	4. Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	Chairman's Message 1.1 ESG Visioning Blueprint	02 07	●
	2-23 Policy commitments	1.3.3 Stakeholder Communication	15	●
		2.3 Ethical Management	24	
		2.4.5 Supplier Management	37	
		5.2.1 Human Rights Commitment and Management	60	
	2-24 Embedding policy commitments	2.3 Ethical Management	24	●
		2.4.5 Supplier Management	37	
		5.2.1 Human Rights Commitment and Management	60	
	2-25 Processes to remediate negative impacts	2.4.1 Risk Management Framework and Culture	26	●
		4.2.3 Customer Satisfaction and Complaints	55	
		5.2.1 Human Rights Commitment and Management	60	
	2-26 Mechanisms for seeking advice and raising concerns	2.3.2 Commitments and Mechanisms	25	●
	2-27 Compliance with laws and regulations	2.4.1 Risk Management Framework and Culture	26	●
	2-28 Membership associations	1.3.4 Promoting Business Development and Public Welfare Engagement	17	●
	5. Stakeholder engagement			
	2-29 Approach to stakeholder engagement	1.3.3 Stakeholder Communication	15	●
	2-30 Collective bargaining agreements	5.2.2 Promoting Labor-Management Communication	62	●
GRI 3: Material Topics 2021	Disclosures on material topics			
	3-1 Process to determine material topics	1.3.1 Materiality Analysis	11	●
	3-2 List of material topics	1.3.1 Materiality Analysis	11	●
	3-3 Management of material topics	1.3.1 Materiality Analysis 1.3.2 Material Topic Management 1.3.3 Stakeholder Communication	11 14 15	●
GRI Universal Standards 2021	Disclosures	Extent of Reporting and Explanatory Notes	Page	BSI Opinion Statement KPMG Limited Assurance
GRI 200: Economic Series				
GRI 201*: Economic Performance	201-1 Direct economic value generated and distributed	2.1.2 Operating Performance	20	●

GRI Universal Standards 2021	Disclosures	Extent of Reporting and Explanatory Notes	Page	BSI Opinion Statement KPMG Limited Assurance
GRI 201*: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	2.4.3 Emerging and Climate Risk Management	34	●
	201-3 Defined benefit plan obligations and other retirement plans	5.4.1 Friendly Care	67	●
	201-4 Financial assistance received from government	In 2023, Fubon Financial Holdings and its subsidiaries applied for tax credits of NT\$450.86 million. The actual amount of the tax credits will be assessed by the National Taxation Bureau.	-	●
GRI 203*: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	3.2.2 Responsible Finance Performance 6.1 Financial Inclusion	42 73	●
	203-2 Significant indirect economic impacts	3.2.2 Responsible Finance Performance 6.1 Financial Inclusion	42 73	●
GRI 205*: Anti-corruption	205-1 Operations assessed for risks related to corruption	2.3 Ethical Management	24	●
	205-2 Communication and training about anti-corruption policies and procedures	2.3.2 Commitments and Mechanisms 2.4.5 Supplier Management	25 37	●
	205-3 Confirmed incidents of corruption and actions taken	2.4.1 Risk Management Framework and Culture	26	●
GRI 206*: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4.1 Risk Management Framework and Culture	26	●
GRI 300: Environmental Series				
GRI 302*: Energy	302-1 Energy consumption within the organization	3.3.2 Low-Carbon Operations	47	○ ●
	302-2 Energy consumption outside of the organization	The Company manages the impact on climate change of upstream and downstream activity in the value chain mainly from the perspective of GHG emissions. We have not calculated energy consumption outside of the organization.	-	●
	302-3 Energy intensity	3.3.2 Low-Carbon Operations	47	●
	302-4 Reduction of energy consumption	3.3.2 Low-Carbon Operations	47	●
	302-5 Reductions in energy requirements of products and services	3.3.2 Low-Carbon Operations	47	●
GRI 305*: Emissions	305-1 Direct (Scope 1) GHG emissions	3.3.1 Greenhouse Gas Reduction and Renewable Energy	45	○
	305-2 Energy indirect (Scope 2) GHG emissions	3.3.1 Greenhouse Gas Reduction and Renewable Energy	45	○
	305-3 Other indirect (Scope 3) GHG emissions	3.3.1 Greenhouse Gas Reduction and Renewable Energy	45	○
	305-4 GHG emissions intensity	3.3.1 Greenhouse Gas Reduction and Renewable Energy	45	-
	305-5 Reduction of GHG emissions	3.3.1 Greenhouse Gas Reduction and Renewable Energy	45	-

(Continue)

GRI Universal Standards 2021	Disclosures	Extent of Reporting and Explanatory Notes	Page	BSI Opinion Statement KPMG Limited Assurance
GRI 400: Social Series				
GRI 403*: Occupational Health and Safety	403-1 Occupational health and safety management system	5.4.2 Workplace Health and Energy	69	●
	403-2 Hazard identification, risk assessment, and incident investigation	5.2.1 Human Rights Commitment and Management	60	●
		5.4.2 Workplace Health and Energy	69	
	403-3 Occupational health services	5.2.1 Human Rights Commitment and Management	60	●
		5.4.1 Friendly Care	67	
	5.4.2 Workplace Health and Energy	69		
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.2.1 Human Rights Commitment and Management	60	●
		5.2.2 Promoting Labor-Management Communication	62	
	5.4.2 Workplace Health and Energy	69		
	403-5 Worker training on occupational health and safety	5.2.1 Human Rights Commitment and Management	60	●
403-6 Promotion of worker health	5.4.1 Friendly Care	67	●	
	5.4.2 Workplace Health and Energy	69		
403-8 Workers covered by an occupational health and safety management system	5.2.1 Human Rights Commitment and Management	60	●	
	5.4.2 Workplace Health and Energy	69		
	● Internal checks: In 2023, Fubon Financial Holdings and its subsidiaries conducted environmental inspections of all of its work spaces that included environmental monitoring, fire inspections, disinfection practices, and fire alarm testing, and covered 100% of employees.			
	● External checks: The Company uses reputable third parties to conduct safety and health certifications, including Taiwan iSports enterprise certification from Taiwan's Sports Administration received by the Company and its subsidiaries every three years, and Fubon Life headquarters ISO 45001 certification (covering 870 workers or 2.5% of Fubon Financial Holdings' workforce).			
403-9 Work-related injuries	5.4.2 Workplace Health and Energy	69	●	
403-10 Work-related ill health	5.4.2 Workplace Health and Energy	69	●	
GRI 405*: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	2.2.2 Board of Directors' Independence and Diversity	22	●
		5.1.1 Employee Demographics and Workplace Equality	59	
405-2 Ratio of basic salary and remuneration of women to men	5.3.2 Talent Retention	65	●	
GRI 406*: Nondiscrimination	406-1 Incidents of discrimination and corrective actions taken	5.2.1 Human Rights Commitment and Management	60	●
GRI 407*: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.4.5 Supplier Management	37	●
		5.2 Human Rights and Communications	60	
GRI 409*: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.4.5 Supplier Management	37	●
		5.2.1 Human Rights Commitment and Management	60	

GRI Universal Standards 2021	Disclosures	Extent of Reporting and Explanatory Notes	Page	BSI Opinion Statement KPMG Limited Assurance
GRI 416*: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Health and safety impact assessments of 100% of products and services have been conducted.	-	●
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	The company did not have any major violations.	-	●
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Health and safety impact assessments of 100% of products and services have been conducted.	-	●
	417-2 Incidents of non-compliance concerning product and service information and labeling	The company did not have any major violations.	-	●
	417-3 Incidents of non-compliance concerning marketing communications	The company did not have any major violations.	-	●
GRI 418*: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2.2 Personal Information Protection	55	●

* Indicates a material issue; items disclosed based on GRI

GRI G4 Indicators of Financial Service Sector

GRI	Content Index	Related Sustainability Report Section
G4-FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector.	Fubon Financial Holding Co., Ltd. 2023 Annual Report, pg. 225
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	6.1 Financial Inclusion
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	3.2.2 Responsible Finance Performance
G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	2.4.2 ESG Risk Management 3.2.2 Responsible Finance Performance
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening.	2.4.2 ESG Risk Management 3.2.2 Responsible Finance Performance

7.1.2 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

(Amended on Jan. 26, 2024)

Content	Related Sustainability Report Section
Article 2 Item 1 Where a listed company is under one of the following circumstances, it shall prepare and file a sustainability report in Chinese according to these Rules.1. At the end of the most recent fiscal year, the company falls into the food industry, chemical industry and financial and insurance industry prescribed in the Taiwan Stock Exchange Corporation Key Points for Classifying and Adjusting Categories of Industries of Listed Companies.	About This Report

(Continue)

Content	Related Sustainability Report Section
Article 3 A listed company which meets the requirements under Article 2 of the Rules shall prepare an annual sustainability report for the preceding year by referring to the Universal Standards, Sector Standards, and Topic Standards published by the Global Reporting Initiatives (GRI). In the report, the company shall disclose its identified material economic, environmental and social topics and impacts, topic-specific disclosure, and its reporting requirements. The sustainability report mentioned in the preceding paragraph shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified. In the sustainability report, a listed company shall disclose what Content Index of the GRI Standards corresponds to the contents of the report and specify in the report whether the topic-specific disclosures have been assured or verified by a third party. The topic-specific disclosure referred to in Paragraph 1 shall be evaluated and disclosed by adopting the standards in compliance with the rules of the competent authorities. If the competent authorities have not promulgated the applicable standards, the company shall adopt the approach of evaluation commonly used in practice or the universally applicable international approach.	7.1.1 GRI Sustainability Reporting Standards Content Index 7.6 Accountant's Independent Limited Assurance Report
Article 4 The sustainability report prepared by a listed company shall incorporate the content referred to in the preceding article and, in the event of companies in the food industry and those listed as prescribed under Subparagraph 2, Paragraph 1, Article 2 of the Rules, or in the chemical industry or the financial and insurance industry, shall strengthen the disclosure of sustainability metrics by industry. (Appendices 1-1 to 1-3.) The listed companies mentioned in the preceding paragraph shall obtain a letter of opinion issued by a certified public accountant in accordance with the standards promulgated by the Accounting Research and Development Foundation for the disclosure of sustainability metrics for their industries in accordance with Appendices 1-1 to 1-3. Appendix 1-3: Sustainability Disclosure Indicators – Financial and Insurance Industry (1) Number of data breaches, percentage involving personally identifiable information, and number of account holders affected. (2) Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities. (3) Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services. (4) (D) Products and services designed by individual operating units to create benefits for the environment or society.	(1) 2.4.4 Information Security Management, 4.2.2. Personal Information Protection • No. of information leaks: 5 • % of all information leaks related to personal information: 100% • No. of customers affected by information leaks: 52 (2) 6.1 Financial Inclusion, 7.2.2 SASB Commercial Bank Indicators (3) 7.2.2 SASB Commercial Bank Indicators (4) 3.2.2 Responsible Finance Performance, 6.1 Financial Inclusion
Article 4-1 Listed companies shall dedicate a chapter of their sustainability reports to disclosures of climate-related information. 1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weathers and transitional actions. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 9. GHG inventories and assurance, reduction goals, strategies, and actions.	1. 2.4.3 Emerging and Climate Risk Management 2. 2.4.3 Emerging and Climate Risk Management 3. 2.4.3 Emerging and Climate Risk Management 4. 2.4.3 Emerging and Climate Risk Management 5. 2.4.3 Emerging and Climate Risk Management 6. 2.4.3 Emerging and Climate Risk Management 7. 3.3.1 Greenhouse Gas Reduction and Renewable 8. 3.1 Net-zero Targets 9. 3.1 Net-zero Targets, 3.3.1 Greenhouse Gas Reduction and Renewable, 7.5 Opinion Statement Fubon Financial Holding Co., Ltd. 2023 Annual Report, pgs.146-148
Article 5 CPAs handling verification of sustainability metrics under Article 4, Paragraph 2, and the CPA firms to which they belong, and the personnel handling GHG verification under Article 4-1, Paragraph 3, and the bodies to which they belong, shall all comply with the relevant provisions of the Directions for the Management of Verification Bodies of Sustainability Reports of TWSE and TPEx Listed Companies, which shall be applicable from 2024. The listed company shall disclose the sustainability report and the link to the file of that report posted on the company's website on the internet information reporting system designated by TWSE by August 31 every year. A listed company shall establish operational procedures for preparation and validation of the sustainability report, and include this procedure in its internal control system.	About This Report 2.4.2 ESG Risk Management

GHG inventories and assurance in the last two years

1. GHG inventories information

Year	2022		2023	
Scope	Total Emissions (metric tons)	Intensity (metric tons/million-dollar revenue)	Total Emissions (metric tons)	Intensity (metric tons/million-dollar revenue)
Scope 1	4,955	0.007	8,808	0.012
Scope 2	53,508	0.078	48,423	0.068
Scope 3	Employee Commuting		23,361	
	Business Travel		372	
	Purchase of Products and Services		42	
	Fuel-and-energy-related activities	-	9,409	-
	Waste generated in operations		280	
Scope 3 Total			33,464	

Note 1: Scope 1 and Scope 2 emissions cover Fubon Financial Holdings, Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities, Fubon Bank (HK), Fubon Asset Management, Jih Sun Securities (merged into Fubon Securities in 2023), Jih Sun Bank (merged into Taipei Fubon Bank in 2023), Fubon Bank (China), Fubon Futures, Fubon Sports & Entertainment, Fubon Stadium, TFB Capital, Fubon Securities Investment Services, Fubon Private Equity (added in 2023), and Fubon Property and Casualty Insurance (Xiamen) (added in 2023).

2. Emissions from purchase of products and services in 2023 includes 3 metric tons of water consumed by Fubon Bank (HK) (previously presented as other emission sources).

3. Except for the emissions for Fubon Private Equity and Fubon Property & Casualty Insurance (Xiamen) in 2022, which are calculated using the per employee basis method, the remaining emissions were inventoried according to the ISO14064-1:2018 standard, and were assured by the assurance institutions including the British Standards Institute (BSI).

2. Greenhouse gas assurance

(1) 2022: Data was verified by BSI and the Hong Kong Quality Assurance Agency (HKQAA) according to ISO 14064-3 standards. Assurance opinions and levels of assurance are as follows:

- Scopes 1 and 2: The quality of inventories data conforms with ISO 14064-1:2018 standards and has been awarded reasonable assurance.
- Scope 3: The quality of inventories data conforms with ISO 14064-1:2018 standards; Fubon Bank (HK) and Fubon Bank (China) obtained reasonable assurance, while the remaining entities obtained limited assurance.

(2) 2023: Data was verified by BSI, the Hong Kong Quality Assurance Agency (HKQAA), and SGS-CSTC Standards Technical Services Co., Ltd. (SGS) according to ISO 14064-3 standards. Assurance opinions and levels of assurance are as follows:

- Scopes 1 and 2: The quality of inventories data conforms with ISO 14064-1:2018 standards and has been awarded reasonable assurance.
- Scope 3: The quality of inventories data conforms with ISO 14064-1:2018 standards; Fubon Bank (HK), Fubon Bank (China), and Fubon Property and Casualty Insurance (Xiamen) obtained reasonable assurance, while the remaining entities adopted agreed-upon procedures (AUP).

3. GHG reduction targets, strategies, and action plans

(1) The Company's carbon reduction targets (hereinafter referred to as Target A) are for a 12.6% reduction in 2023, a 42% reduction in 2030, and a 92.3% reduction in 2040 compared to the 2020 Scope 1 and Scope 2 emissions baseline of 63,207 metric tons. If the comparison is made in accordance with the Scope 1 and Scope 2 emissions of 58,463 metric tons in 2022 when the Company completed its consolidated financial report review ahead of schedule (hereinafter referred to as Target B), emissions should be reduced by 5.6% in 2023, by 37.5% in 2030, and by 91.6% by 2040.

(2) The Company has continued to purchase renewable energy, install energy-saving lights and electrical equipment, implement energy conservation management, and promote energy awareness. Scope 1 emissions increased to 8,808 metric tons in 2023 mainly because subsidiary Fubon Bank (China) filled its fire extinguishing system with HFC-227ea fire extinguishing agents at its headquarters and branches in Suzhou; the 3,492 metric tons of additional emissions from the fire safety measures increased overall emissions from operations to 57,231 metric tons in 2023, representing a 9.5% carbon reduction for Target A and 2.1% carbon reduction for Target B. If the 3,492 metric tons of emissions from fire safety measures were excluded, overall emissions from operations would have been 53,739 metric tons for 2023, representing a 15.0% carbon reduction for Target A and 8.1% carbon reduction for Target B.

7.1.3 Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

(Amended on Dec. 22, 2022)

Content			Related Sustainability Report Section
Chapter 1	General Principles	Disclosed the purpose of the principles, to whom they apply, and implementation principles.	1. Fubon's Sustainability Commitment
Chapter 2	Implementation of Corporate Governance	Set guidelines for implementing and promoting corporate governance.	2. Sustainability Governance
Chapter 3	Fostering a Sustainable Environment	Set guidelines for responding international sustainability trends and bringing about a sustainable environment through Fubon's own operations and its businesses.	3. Decarbonization: Helping Customers Go Sustainable
Chapter 4	Protecting Human Rights and Promoting Public Welfare	Set guidelines for protecting stakeholders' human rights and promoting public welfare.	2.4.5 Supplier Management 5. Empowerment: Fostering a Friendly, Healthy Workplace 6. Connection: Connecting Society's Positive Forces
Chapter 5	Enhancing Disclosure of Sustainability-related Information	Set guidelines for strengthening the disclosure of sustainability related information.	1. Fubon's Sustainability Commitment
Chapter 6	Supplemental Provisions	Set guidelines for continuing to improve the Company's sustainability mechanisms and practices.	1. Fubon's Sustainability Commitment

7.1.4 Ten Principles of the UN Global Compact

Content			Related Sustainability Report Section
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights. 2. Make sure that they are not complicit in human rights abuses.		
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining 4. The elimination of all forms of forced and compulsory labor 5. The effective abolition of child labor 6. The elimination of discrimination in respect of employment and occupation		2.4.5 Supplier Management 5. Empowerment: Fostering a Friendly, Healthy Workplace

Content		Related Sustainability Report Section
Environment	7. Businesses should support a precautionary approach to environmental challenges	3. Decarbonization: Helping Customers Go Sustainable
	8. Undertake initiatives to promote greater environmental responsibility	
	9. Encourage the development and diffusion of environmentally friendly technologies	3. Decarbonization: Helping Customers Go Sustainable 4. Digitalization: Providing the Best Financial Services
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	2. Sustainability Governance

7.1.5 Core Subjects and Issues of Social Responsibility Addressed in ISO 26000

Content		Related Sustainability Report Section
Human Rights	Due diligence, Avoidance of complicity, Employee Overview, Civil and political rights; Economic, social and cultural rights, Economic, social and cultural rights, Fundamental principles and rights at work	5. Empowerment: Fostering a Friendly, Healthy Workplace
	Human rights risk situations	2.4.5 Supplier Management 5. Empowerment: Fostering a Friendly, Healthy Workplace
	Resolving grievances	4.2.3 Customer Satisfaction and Complaints 5. Empowerment: Fostering a Friendly, Healthy Workplace
Labor Practices	Employment and employment relationships, Conditions of work and social protection, Health and safety at work, Human resources development and training	5. Empowerment: Fostering a Friendly, Healthy Workplace
	Social dialogue	1. Fubon's Sustainability Commitment 5. Empowerment: Fostering a Friendly, Healthy Workplace
The Environment	Prevention of pollution, Sustainable resource use, Protection of the environment, biodiversity and restoration of natural habitats	3. Decarbonization: Helping Customers Go Sustainable
	Climate change mitigation and adaptation	3. Decarbonization: Helping Customers Go Sustainable
Fair Operating Practices	Anti-corruption, Fair competition	2. Sustainability Governance
	Responsible political involvement	N/A
Consumer Issues	Promoting social responsibility in the value chain, Respect for property rights	4. Digitalization: Providing the Best Financial Services
	Fair marketing, factual and unbiased information and fair contractual practices, Protecting consumers' health and safety Sustainable consumption, Consumer service, support, and complaint and dispute resolution, Consumer data protection and privacy, Access to essential services, Education and awareness	4.2 Customer Relationship Management
Community Involvement and Development	Community involvement, Education and culture, Employment creation and skills development, Wealth and income creation Health, Social investment	6. Connection: Connecting Society's Positive Forces
	Technology development and access	4.1 Innovative Technologies

7.1.6 WEF Stakeholder Capitalism Metrics

Governance

Theme	Metrics and Disclosures	Chapters/Content
Governing Purpose	Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	1.1.1 Visioning Blueprint
Quality of Governing Body	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	1.2 Operating Sustainably 2.2 Putting Sustainable Governance into Practice
Stakeholder Engagement	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.	1.3.1 Materiality Analysis
Ethical Behavior	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. 2. (a) Total number and nature of incidents of corruption confirmed during the current year but related to previous years (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for 1. Seeking advice about ethical and lawful behavior and organizational integrity; 2. Reporting concerns about unethical or lawful behavior and organizational integrity.	2.3 Ethical Management 2.4.1 Risk Management Framework and Culture 2.4.5 Supplier Management 2.3 Ethical Management
Risk and Opportunity Oversight	Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company's appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	2.4.2 ESG Risk Management 2.4.3 Emerging and Climate Risk Management
EXPANDED METRICS		
Governing Purpose	Purpose-led management How the company's stated purpose is embedded in company strategies, policies, and goals.	1.1.1 Visioning Blueprint
Quality of Governing Body	Progress against strategic milestones Disclosure of the material strategic economic, environmental, and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value. Remuneration 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy, and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: - Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares. - Sign-on bonuses or recruitment incentive payments - Termination payments - Clawbacks - Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.	1.1.1 Visioning Blueprint 1.1.2 Sustainability Goals 2.2.3 Performance Evaluation 2.2.4 Sustainability and Compensation

Theme	Metrics and Disclosures	Chapters/Content
Ethical Behavior	Alignment of strategy and policies to lobbying The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions, purpose, and any stated policies, goals, or other public positions.	1.3.4 Promoting Business Development and Public Welfare Engagement and active participation in meetings held by regulatory authorities
Ethical Behavior	Monetary losses from unethical behavior Total amount of monetary losses as a result of legal proceedings associated with: fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or violations of other related industry laws or regulations.	2.3.2 Commitments and Mechanisms 2.4.1 Risk Management Framework and Culture
Risk and Opportunity Oversight	Economic, environmental, and social topics in capital allocation framework How the highest governance body considers economic, environmental, and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestures.	The Company has established a rigorous organizational framework, including functional responsibilities and corporate governance rules, that informs recommendations related to business decisions

Planet

Theme	Metrics and Disclosures	Chapters/Content
Ethical Behavior	Greenhouse Gas (GHG) emissions For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	3.3.1 Greenhouse Gas Reduction and Renewable Energy
Climate Change	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	2.4.3 Emerging and Climate Risk Management 3.1 Net-zero Targets
Nature Loss	Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	The Company's business locations are primarily offices, and therefore its operating activities do not have a significant impact on the local area.
Fresh Water Availability	Water consumption and withdrawal in water-stressed areas Report for operations where material, mega liters of water withdrawn, mega liters of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	3.3.2 Low-carbon Operations – Water Resource Management
EXPANDED METRICS		
Climate Change	Paris-aligned GHG emissions targets Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions and interim reduction targets based on the methodologies provided by the Science Based Targets initiative if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement. Impact of Greenhouse gas emissions Report wherever material along the value chain (GHG protocol scopes 1,2&3), the valued societal impact of greenhouse gas emissions. Disclose the estimate of the social/societal cost of carbon used and the source or basis for this estimate.	3.1 Net-zero Targets 3.3.1 Greenhouse Gas Reduction and Renewable Energy 3.1 Net-zero Targets 3.2.2 Responsible Finance Performance 3.3.1 Greenhouse Gas Reduction and Renewable Energy – Internal Carbon Pricing 3.3.2 Low-carbon Operations – Green Purchasing

(Continue)



Theme	Metrics and Disclosures	Chapters/Content
Nature Loss	Land use and ecological sensitivity For operations (if applicable) and full supply chain (if material): 1. Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities). 2. Year-on-year change in the area of land used for the production of basic plant, animal or mineral commodities. Note: Supply-chain figures can initially be estimated where necessary based on the mass of each commodity used and the average mass produced per unit of land in different sourcing locations. 3. Percentage of land area in (1) or of total plant, animal and mineral commodity inputs by mass or cost, covered by a sustainability certification standard or formalized sustainable management programs. Disclose the certification standards or description of sustainable management programs along with the percentage of total land area, mass or cost covered by each certification standard / program.	Joined Taskforce on Nature-related Financial Disclosures (TNFD) on Feb. 2023.
	Impact of land use and conversion Report wherever material along the value chain, the valued societal impact of use of land and conversion of ecosystems.	The Company's business locations are primarily offices, and therefore its operating activities do not have a significant impact on the local area.
Fresh Water Availability	Impact of freshwater consumption and withdrawal Report wherever material along the value chain, the valued societal impact of freshwater consumption and withdrawal.	3.3.2 Low-carbon Operations – Water Resource Management
Air Pollution	Air pollution Report wherever material along the value chain: Nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions. Wherever possible, estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	Not applicable because Fubon is not a manufacturer
	Impact of air pollution Report wherever material along the value chain, the valued impact of air pollution, including nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter and other significant air emissions.	Not applicable because Fubon is not a manufacturer
Water Pollution	Nutrients Estimate and report wherever material along the value chain, metric tones of nitrogen, phosphate and potassium in fertilizer consumed.	Not applicable because Fubon is not a manufacturer
	Impact of water pollution Report wherever material along the value chain, the valued societal impact of water pollution, including excess nutrients, heavy metals and other toxins.	use the financial sector does not use manufacturing processes, the wastewater discharged by Fubon's business locations consists of wastewater from daily life and is discharged to sewage systems.
Solid Waste	Single use plastics Report for the full value chain, estimated metric tones of single-use plastic consumed. Disclose the most significant applications of single use plastic identified, the quantification approach used and the definition of "single-use plastic" adopted.	Fubon's services and products are financial products and services and do not use disposable plastics.
	Impact of solid waste disposal Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams.	3.3.2 Low-carbon Operations – Waste Management- Fubon's services and products are financial products and services. It is not involved in manufacturing processes that require the recycling of materials.
Resource Availability	Resource circularity Report the most appropriate resource circularity metric(s) for the whole company and/ or at a product, material or site level as applicable. Potential metrics include (but are not limited to) the "Circular Transition Indicators" (WBCSD & KPMG), indicators developed by the Ellen MacArthur Foundation and company developed metrics.	Fubon's services and products are financial products and services. It is not involved in manufacturing processes that require the recycling of materials.

People

Theme	Metrics and Disclosures	Chapters/Content
Dignity and Equality	Diversity and inclusion (%) Percentage of employees per employee category, per age group, gender and other indicators of diversity (e.g. ethnicity).	2.2.2 Board of Directors' Independence and Diversity 5.1.1 Employee Demographics and Workplace Equality
Dignity and Equality	Pay equality Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas.	5.3.2 Talent Retention
	Wage level (%) 1. Ratios of standard entry-level wage by gender compared to local minimum wage. 2. Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO).	5.3.2 Talent Retention Appendix comparison table GRI 2-21 Annual Total Compensation Ratio
	Risk for incidents of child, forced or compulsory labor An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; or countries or geographic areas with operations and suppliers considered at risk.	2.4.5 Supplier Management 5.2.1 Human Rights Commitment and Management
Health & Wellbeing	Health and Safety (%) 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries, main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers.	5.4 Friendly Care and Health-Facilitating Activities
Skills for the Future	Training provided (#) 1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee.	5.3 Talent Development and Retention
EXPANDED METRICS		
Dignity and Equality	Pay gap (%) 1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. 2. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Appendix comparison table GRI 2-21 Annual Total Compensation Ratio 5.3 Talent Development and Retention
	Discrimination and Harassment Incidents (#) and the Total Amount of Monetary Losses (\$) Number of discrimination and harassment incidents, status of the incidents and actions taken and the total amount of monetary losses as a result of legal proceedings associated with (1) law violations and (2) employment discrimination.	5.2.1 Human Rights Commitment and Management
	Freedom of Association and Collective Bargaining at Risk (%) 1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk including measures taken by the organization to address these risks.	2.4.5 Supplier Management 5.2.2 Promoting Labor-Management Communication

(Continue)

Theme	Metrics and Disclosures	Chapters/Content
Dignity and Equality	Human rights review, grievance impact and modern slavery (#, %) 1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 2. Number and type of grievances reported with associated impacts related to a salient human rights issues in the reporting period and an explanation of impacts. 3. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to a) type of operation (such as manufacturing plant) and type of supplier or b) countries or geographic areas with operations and suppliers considered at risk.	2.4.5 Supplier Management 5.2.1 Human Rights Commitment and Management
	Living Wage (%) Current wages against the living wage for employees and contractors in states and localities where the company is operating.	5.3.2 Talent Retention (Data generally covers all employees)
Health and Wellbeing	Monetized Impacts of Work-related Incidents on Organization (#, \$) By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and/or fines from regulators, property damage, healthcare costs, compensation costs to employees).	5.4.2 Workplace Health and Energy For losses from labor disputes, please see the 2023 Annual Report, pg. 297
	Well-being (%) 1. The number and rate of fatalities as a result of work-related ill-health; recordable work-related ill-health injuries, main types of work-related injury; and the main types of work-related ill-health for all employees and workers. 2. Percentage of employees participating in 'best practice' health and well-being programs that help to reduce absenteeism and improve productivity and employee absentee rate (AR) for all employees.	5.3 Talent Development and Retention 5.4.2 Workplace Health and Energy
Skills for the Future	Number of unfilled 'Skilled' Positions (#, %) 1. Number of Unfilled "Skilled" positions (#) 2. Percentage of unfilled "skilled" positions for which the company will hire unskilled candidates and train them (%).	The Company posts all of its unfilled positions on the "Talent Recruitment" page of its website
	Monetized Impacts of Training - Increased earning capacity as a result of training intervention (%, \$) 1. Investment in training a percentage (%) of payroll. 2. Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.	5.3 Talent Development and Retention

Prosperity

Theme	Metrics and Disclosures	Chapters/Content
Employment and Wealth Generation	Absolute number and rate of employment 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	5.1.2 Talent Recruiting 5.3.2 Talent Retention
	Economic Contribution 1. Direct economic value generated and distributed (EVG&D) – on an accrual basis, covering the basic components for the organization's global operations, ideally split out by: a. Revenue b. Operating costs c. Employee wages and benefits d. Payments to providers of capital e. Payments to government f. Community investment 2. Financial assistance received from the government - Total monetary value of financial assistance received by the organization from any government during the reporting period.	2.1.2 Operating Performance 5.3.2 Talent Retention 5.4 Friendly Care and Health-Facilitating Activities 6 Connection: Connecting Society's Positive Forces Appendix comparison table GRI 201-4 Financial assistance received from government

Theme	Metrics and Disclosures	Chapters/Content
Wealth Creation and Employment	Financial investment contribution disclosure Total capital expenditures (CapEx) – Depreciation supported by narrative to describe the company's investment strategy. Share buybacks + Dividend payments supported by narrative to describe the company's strategy for returns of capital to shareholders.	Please see the 2023 Annual Report, pgs. 344-345
Innovation in Better Products and Services	Total R&D expenses (\$) Total costs related to research and development.	Please see the 2023 Annual Report, pgs. 233-234
Community and Social Vitality	Community investment is included within the economic contribution metric (part of EVG&D).	6. Connection: Connecting Society's Positive Forces
	Total tax paid The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	2.1.3 Tax Governance
EXPANDED METRICS		
Employment and Wealth Generation	Infrastructure investments and services supported Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind, or pro bono engagements.	3.2.2 Responsible Finance Performance 6. Connection: Connecting Society's Positive Forces
	Significant indirect economic impacts 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	3.2.2 Responsible Finance Performance 6. Connection: Connecting Society's Positive Forces
Innovation in Better Products and Services	Social value generated (%) Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.	3.2.2 Responsible Finance Performance 6. Connection: Connecting Society's Positive Forces
	Vitality Index Percentage of gross revenue from product lines added in last three (or five) years calculated as the sales from products that have been launched in the past three (or five) years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.	Not applicable, the financial sector does not have product lines.
Community and Social Vitality	Total social investment (\$) Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECF Valuation Guidance.	6. Connection: Connecting Society's Positive Forces
	Additional tax remitted The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.	The Company withholds income tax from employee wages in accordance with the law.
	Total and additional tax breakdown by country for significant locations Total tax paid and, if reported, additional tax remitted, by country for significant locations.	2.1.3 Tax Governance

7.2 SASB Standards Index

7.2.1 SASB-Insurance

Topic	Code	Accounting Metric	Corresponding Information
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.	- Fubon Life – Customers filed 1,930 complaints in 2023, of which 571 (or 29.6%) involved business- or sales-related issues; none of those complaints were about financial losses that triggered litigation. - Fubon Insurance – Customers filed 4,312 complaints in 2023 of which 79 (1.83%) involved business- or sales-related issues involving policy sales problems; none of those complaints were about financial losses that triggered litigation.
	FN-IN-270a.2	Complaints-to-claims ratio (‰) Note: Based on Financial Ombudsman Institution calculation methods (‰), FOI claims cases/Total contracts filed with with FOI.	- Fubon Life – Taiwan: 0.098 (‰) - Fubon Insurance – Taiwan: 1.853 (‰)
	FN-IN-270a.3	Customer retention rate	- Fubon Life – Persistency rate in the 13th month: 96.0%; Persistency rate in the 25th month: 93.1%. Note: 1. Persistency rate calculated based on "Plan to Improve the Quality of Life Insurance Enterprises' Service and Solicitation Process" and is posted on the Fubon Life website and the Insurance Market Observation Post System as stipulated by the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises." 2. The persistency rate in the 25th month disclosed in the 2022 Sustainability Report was incorrectly written as 6%; the actual figure was 96%. - Fubon Insurance (customer renewal rate used as the metric) Personal insurance: 79.9%, Corporate insurance: 84.6%. Note: (Customer renewal rate = no. of policies renewed/no. of policies that expire)
	FN-IN-270a.4	Description of approach to informing customers about products.	Fubon Financial Holdings Sustainability Report, 4.1 Innovative Technologies, 4.2 Customer Relationship Management Fubon Life 2023 Sustainability Report, Sec. 4.2 Customer Relationship Maintenance, 4.3 ESG Product Services and Promotion. Fubon Insurance 2023 Sustainability Report, Sec. 3.2 Customer Relationships Management.
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies.	Fubon Financial Holdings Sustainability Report 2.4.2 ESG Risk Management, 7.3.1 Principles for Responsible Investment Fubon Life 2023 Sustainability Report, 6.2 Strengthening Responsible Investment. Fubon Insurance 2023 Sustainability Report, 4.4 Responsible Investment, 2.1 Climate Change Action.
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology.	Fubon Financial Holdings Sustainability Report, 3.2.2 Responsible Finance Performance Fubon Life 2023 Sustainability Report, 4.3 ESG Product Services and Promotion. Fubon Insurance 2023 Sustainability Report, 4.2.1 Sustainable Insurance Products.
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors.	Fubon Financial Holdings Sustainability Report, 3.2 Low-carbon Finance, 6.1.1 Accessible Financial Products and Services, 6.1.2 Services and Products for the Elderly. Fubon Insurance 2023 Sustainability Report, 4.2.1 Sustainable Insurance Products.
Financed Emissions	FN-IN-410c.1	Disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Used Partnership for Carbon Accounting Financials (PCAF) methodology and the financed emissions handbooks for the domestic insurance and banking sectors to calculate financed emissions: Fubon Life Units: Tons/CO ₂ e; NT\$ million
	FN-IN-410c.2	Gross exposure for each industry by asset class.	
	FN-IN-410c.3	Percentage of gross exposure included in the financed emissions calculation.	
	FN-IN-410c.4	Description of the methodology used to calculate financed emissions.	Note 1: The asset category "other" includes investments in sovereign debt and commercial real estate. Note 2: Because of the lack of available data, we used Scope 1 and Scope 2 financed emissions to calculate financed emissions for all companies invested in and credit clients. Note 3: The asset classes (such as derivatives, loan securitization products) for which the PCAF has yet to provide a method for calculating financed emissions have not been included in the above calculation. Fubon Insurance Units: Tons/CO ₂ e; NT\$ million

Topic	Code	Accounting Metric	Corresponding Information
Physical Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes.	- Fubon Life: Not applicable to the life insurance sector. - Fubon Insurance: The PML amount is sensitive information to the Company and has not been disclosed in this Report.
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance).	- Fubon Life: Not applicable to the life insurance sector. - Fubon Insurance: The PML amount is sensitive information to the Company and has not been disclosed in this Report.
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy.	Fubon Financial Holdings <i>Sustainability Report 2.4 Risk Management, 7.3.2 Principles for Sustainable Insurance</i> . Fubon Life <i>2023 Sustainability Report</i> , 6.1 Climate Change Response. Fubon Insurance <i>2023 Sustainability Report</i> , 2.1 Climate Change Action. - For Fubon Life risk management information, please see: https://ins-info.ib.gov.tw/customer/Info4-16.aspx?UID=27935073 - For Fubon Insurance risk management information, please see: https://ins-info.ib.gov.tw/customer/Info4-16.aspx?UID=70826461
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) Total potential exposure to non-centrally cleared derivatives. (2) Total fair value of acceptable collateral posted with the Central Clearinghouse. (3) Total potential exposure to centrally cleared derivatives.	- Fubon Life currently only has potential exposure to non-centrally cleared derivatives. It does not have potential exposure to centrally cleared derivatives and does not have acceptable collateral posted with the central clearinghouse. - Fubon Life Insurance Co., Ltd. parent company-only financial statements and Independent Auditors' Report for 2022 and 2023; (2) Financial assets and liabilities measured at fair value through profit or loss (pg. 32); (4) Financial assets and liabilities for hedging (pg. 35). https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=5865&year=112&seamon=&mtype=A& - Fubon Insurance Co., Ltd. parent company-only financial statements and Independent Auditors' Report for 2022 and 2023; (1) non-hedging derivatives (pg. 34). https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=5828&year=112&seamon=&mtype=A&
	FN-IN-550a.2	Total fair value of securities lending collateral assets.	In 2023, Fubon Life transferred financial assets (securities lending). The book value and fair value of the transferred stocks, which are only disclosed in financial statements, was NT\$500,600,000. In 2023, Fubon Insurance transferred financial assets (securities lending). The book value and fair value of the transferred stocks, which are only disclosed in financial statements, was NT\$195,600,000.
	FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities.	- Fubon Life Insurance Co., Ltd. parent company-only financial statements and Independent Auditors' Report for 2022 and 2023; (2) Liquidity risk (pg. 86); and (3) Liquidity risk analysis (pg. 106). https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=5865&year=112&seamon=&mtype=A& - Fubon Life 2023 Sustainability Report, 2.4 Corporate Risk Management and Underwriting. - Fubon Insurance Co., Ltd. parent company-only financial statements and Independent Auditors' Report for 2022 and 2023; (2) Liquidity risk (pgs. 89-91). https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=5828&year=112&seamon=&mtype=A&
Activity Metric	FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance.	- Fubon Life premium income and insurance benefits paid by type of insurance https://ins-info.ib.gov.tw/customer/life3-2.aspx?UID=27935073 - Fubon Insurance reinsurance distribution by type of insurance https://ins-info.ib.gov.tw/customer/property3-2.aspx?UID=70826461 - No. of Fubon Life active policies: 22,875,942 - No. of Fubon Life reinsurance policies: 1,666,313 - No. of Fubon Insurance active policies: 13,923,577 (including personal and corporate insurance policies) - No. of Fubon Insurance reinsurance policies: 17

7.2.2 SASB Commercial Bank Indicators

TOPIC	CODE AND ACCOUNTING METRIC		Corresponding Information			
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches (3) number of account holders affected	Taipei Fubon Bank reported one operational risk case in 2023. It was related to personal information and involved only one customer. The case did not affect the customer's rights and interests, and no penalty was incurred. Improvements made: Taipei Fubon Bank hired a courier service to deliver loan documents to a customer, but the courier accidentally lost the documents. The bank apologized to the customer and disbursed the loan after a new contract was signed, ensuring that the customer's rights were not affected. The bank reminded its business departments and brought up in meetings of retail banking managers that only courier services approved by the bank should be used to deliver documents. If a courier cannot come to the bank to pick up documents because of location or operational issues, bank staff should deliver the documents personally or have a personal banking manager note (by email or messaging service, for example) that the items are being held at the office and then ask another courier service to pick them up for delivery.		Number of data breaches: 1 Percentage involving personally identifiable information: 100% Number of account holders affected: 1	
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks.			2.4.4 Information Security Management	
Capacity Building	FN-CB-240a.1	Number and amount of loans outstanding that qualify for programs designed to promote small business and community development.	Taipei Fubon Bank supports the development of small and medium-sized enterprises in several ways, including contributing to the government's SME Credit Guarantee Fund. It also actively supports the government's urban renewal program to rebuild old buildings, joining with integrated urban renewal service companies, community organizations and other units to develop this business and spur community renovation. Note 1: Small business - Must meet the Ministry of Economic Affairs' definition of a small and medium-sized enterprise and the Financial Supervisory Commission's definition of a small or startup small and medium-sized enterprise found in its credit reporting information form. Note 2: Community development loans - Loan figures for projects that fall under the "Urban Renewal Act" and "Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings".			
	FN-CB-240a.2	Number and amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programs designed to promote small business and community development.				
	FN-CB-240a.2	Number and amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programs designed to promote small business and community development.				
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers.	Related data could not be compiled				

(Continue)

Topic	Code And Accounting Metric		Corresponding Information									
Capacity Building	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.	Financial Literacy Initiatives Organized by Taipei Fubon Bank in 2023									
			Initiative		Who Participated		No. of Events	No. of Participants				
			Budding Tycoon Money Management Camp		Elementary school students with hearing impairments		3	41				
					Elementary school students in remote/rural areas (Shuidui Elementary School in Gukeng in Yunlin County and Tung-Hsing Elementary School in Xinshe District in Taichung)		2	28				
			Financial Empowerment Program for Students with Disabilities – Wings Branch (Budding Tycoon Money Management Camps for Special Education Students)		Taipei high school/vocational school students with disabilities		3	38				
			'Budding Tycoon Growth Diary' Online Financial Empowerment Course		Elementary, junior high and high school students from around Taiwan		1 ^{Note}	1,976				
			Disability Equality Workshops for Youth with Visual Impairments		People with visual impairments, social workers		1	15				
			Financial Education and Promotion for the Elderly		Elderly customers (Branch UVP activities)		12	119				
					Senior citizens (community promotion)		23	610				
			Trust Seminars		Persons cared for by the Taipei Parents' Association for Persons with Intellectual Disabilities, First Social Welfare Foundation, Tamsui Rehabilitation Home, Hondao Senior Citizen's Welfare Foundation, and Taiwan Coalition against Violence, and the public		10	486				
ESG Seminar for SMEs		SME customers		9	396							
Total				64	3,709							
			Note: The Budding Tycoon Growth Diary' Online Financial Empowerment Course is an online course and is counted as one event; the first group of online courses rolled out in December 2023 to 218 schools in Changhua County and 125 schools in Hualien County.									
Factors in Credit Analysis Incorporation of Environmental, Social, and Governance	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis.	2.4.2 ESG Risk Management									
Financed Emissions	FN-CB-410b.1	Absolute gross financed emissions,disaggre gated by (1) Scope 1, (2) Scope 2 and (3) Scope 3.	Used Partnership for Carbon Accounting Financials (PCAF) methodology and the Financed Emissions Handbook for the Domestic Insurance and Banking Sectors to calculate financed emissions: • Taipei Fubon Bank									
	FN-CB-410b.2	Gross exposure for each industry by asset class.	Units: Tons/CO ₂ e; NT\$ million									
	FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation.										
	FN-CB-410b.4	Description of the methodology used to calculate financed emissions.	Asset Class		Securities Investments		Bond Investments		Credit Positions		Other	
			Industry	Financed Emissions	Investment Balance	Financed Emissions	Investment Balance	Financed Emissions	Investment Balance	FinancedEmissions	Investment Balance	
			Agriculture, Forestry, Fishery, Animal Husbandry	-	-	-	-	673,689	3,248	-	-	
			Mining and Quarrying	-	-	12,642	2,575	91,133	1,505	-	-	
			Electricity and Gas Supply	56	1	1,269,778	35,894	1,670,664	52,419	-	-	
			Water Supply and Remediation	-	-	11,497	2,578	69,109	5,978	-	-	
			Transportation and Storage	1,253	1,281	175,326	7,434	133,991	22,610	-	-	
Other	33,739	30,981	575,834	551,078	2,098,813	1,929,567	2,891,815	250,343				
Total	35,048	32,263	2,045,077	599,559	4,737,399	2,015,327	2,891,815	250,343				
Financed emission positions as a percentage of total investment/loan positions							80%					
			Note 1: The asset category "other" includes investments in sovereign debt and commercial real estate. Note 2: Because of the lack of available data, we used Scope 1 and Scope 2 financed emissions to calculate financed emissions for all companies invested in and credit clients. Note 3: The asset classes (such as derivatives, loan securitization products) for which the PCAF has yet to provide a method for calculating financed emissions have not been included in the above calculation.									
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.	Taipei Fubon Bank did not have any of these situations occur in 2023. During the bank's handling of real estate loan applications, however, know your customer and customer identification reviews were not optimal, and the continuous monitoring of accounts and transactions was not fully carried out, leading to the regulatory authority requiring improvements to be made. The flaws disclosed above have been corrected.									
	FN-CB-510a.2	Description of whistleblower policies and procedures.	2.3.2 Commitments and Mechanisms									
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (GSIB) score, by category.	This indicator does not apply because Taipei Fubon Bank is not considered to be a G-SIB.									
	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities.	2.4.1 Risk Management Framework and Culture									
Activity Metrics	FN-CB-000.A	Number and value of checking and savings accounts by segment: (a) personal and (b) small business.	Description		Personal		Small Business ^{Note}		Note: Small business accounts are those that meet the Ministry of Economic Affairs' definition for SMEs or meet the definition for small and startup SMEs as per the Financial Supervisory Commission's credit reporting information form.			
			No. of checking accounts (Accounts)	108,872		886						
			Value of checking accounts (NT\$)	1,120,593,651		145,927,527						
			Savings accounts (Accounts)	6,579,381		11,948						
			Value of savings accounts (NT\$)	952,564,519,778		7,145,573,438						
FN-CB-000.B	Number and value of loans by segment: (a) personal, (b) small business, and (c) corporate.	Description		Personal Accounts ^{Note 1}		Small Business Accounts ^{Note 2}		Regular Enterprise Accounts ^{Note 3}				
		No. of loans (Accounts)	247,644		11,083		15,414					
		Loan balance (incl. non-performing loans and overdue receivables) (NT\$)	88,865,150,720		89,524,496,319		663,224,133,707					
			Notes 1: The scope of personal loans includes regular personal loans, worker relief loans, overseas study loans, and student loans; they do not include home mortgages and revolving loans. Notes 2: Small business accounts are those that meet the Ministry of Economic Affairs' definition for SMEs or meet the definition for small and startup SMEs as per the Financial Supervisory Commission's credit reporting information form. Notes 3: Regular enterprise accounts are based on industry categories; they do not include government institution and personal accounts.									

7.3 Sustainable Finance Principles

7.3.1 Principles of Responsible Investment (PRI)

Six PRI Principles	Implementation Results
Incorporate ESG issues into investment analysis and decision-making processes	- Established a "Fubon Financial Holding Co. and Subsidiaries Sustainable Finance Policy" and guidelines for ESG-sensitive industries. - ESG principles incorporated into investment policies; ESG investment risk indicators used to assess all investment targets before an investment is made. - All stocks in the asset pool required to meet ESG guidelines. - Actively pursued thematic investments. - Created a "blacklist/exclusion list" of high-risk countries and companies. Regularly checked and updated the blacklist/exclusion list. - Bond-issuing domestic and overseas companies in which investments made checked annually. - Complied with science-based targets validated by SBTi; continued to modify standards for allowing investment in or pulling investment out of climate-sensitive industries. - Calculated the carbon footprint of investment portfolios. - MSCI Inc. ESG database or CMoney ESG ratings used to conduct pre-investment checks. Note: See 3.1 Net-zero Targets, 3.2 Low-carbon Finance.
Integrate ESG issues into all ownership policies and practices	- All major subsidiaries have signed on to the Stewardship Principles for Institutional Investors. - Fubon Life and Fubon Insurance have established regulations prohibiting certain actions by personnel involved in domestic equity investments and outlined related reporting requirements to prevent conflicts of interest between personal investment behavior and the Company. - In 2023, Fubon Life, Taipei Fubon Bank, Fubon Insurance, Fubon Securities, and Fubon Asset Management had attendance rates of 100% at shareholder meetings of securities in which they had investments. - All of Fubon's main subsidiaries have issued Stewardship Reports in which they disclosed their stewardship practices. Fubon Life, Fubon Insurance, and Fubon Securities were selected to the Taiwan Stock Exchange's "List of companies with better institutional investor stewardship disclosure" in 2023.      Fubon Life Taipei Fubon Bank Fubon Insurance Fubon Securities Fubon Asset Management
Seek appropriate disclosure on ESG issues by the entities in which we invest	- Collected and reviewed the sustainability reports of domestic companies in which investments have been made. - If a specific stock has violated ESG standards and the Principles of Sustainable Insurance, that company is put on the blacklist/exclusion list and no new investments in that company can be made.
Promote acceptance and implementation of the Principles for Responsible Investment in the investment sector	- Issuers of foreign funds and ETFs in which investments have been made checked annually; they were all found to be PRI signatories in 2022. - ESG practices of the domestic issuers of bonds and ETFs in which investments have been made reviewed annually. - Requested all discretionary investment institutions to provide a summary of their ESG activities; they must also comply with Fubon's blacklists.
Work with others to enhance our effectiveness in implementing the Principles for Responsible Investment	- Participated in several public project meetings held by government agencies. - Participated in ESG forums held by outside organizations. - Communicated with environmental groups to explain Fubon's responsible investment initiative and actions taken. - Has joined the FAIRR Initiative to use the financial sector's influence to address material topics and hidden ESG risks in the livestock industry. - Organized a 2023 Fubon Financial Trends Seminar and offered insight into ESG investment trends. - Shared Fubon's experience on sustainable finance and responsible investment at the invitation of outside institutions. - Joined international sustainability organizations and took part in related meetings. - Became Climate Action 100+ members, participated in domestic and overseas corporate engagement groups.
Report on our activities and progress toward implementing the Principles for Responsible Investment	- Reported regularly on the implementation of the responsible investment strategy to the ESG Task Force. - Publicly conveyed Fubon Financial Holdings' emphasis on responsible investment through the annual Sustainability Report.

7.3.2 Principles for Sustainable Insurance (PSI)

Pillars	Fubon Insurance's Main Approaches						
Embedding ESG issues into corporate decision-making and building internal ESG capacity	- Set up a "Sustainability Strategy Task Force" led by senior executives to take stock of and devise development plans for Fubon Insurance's key sustainability businesses. - Identifies emerging risks, climate risks, and catastrophe risks concerning ESG issues, and conducts situational stress tests on a regular basis. - Has developed ESG-related job-specific training, designed to help employees integrate ESG principles into customer service as they gain knowledge and put their expertise into practice. - Underwriting management: Fubon Insurance has put in place the Underwriting Committee to monitor risks. The committee includes the top commercial insurance manager, the chief risk officer, and other managers of related commercial insurance product departments. - ESG due diligence: Used to identify ESG-related risks (environmental protection, social responsibility and corporate governance) and assess incorporating them into underwriting processes. - Insurance product coverage amounts: Adjusted according to such factors as a business' ESG-related risk level, the items covered, and the scope of the coverage; the level of authorization is determined by the coverage amount for different types of insurance. - Claims management: Fubon Insurance provides multiple claims channels, including through its website claims services page, intelligent customer service solution, and customer service hotline. - Investment management: Fubon Insurance has established an ESG-integrated investment management mechanism based on the PRI principles.						
Providing sustainable products and services and raising clients' ESG awareness	- Reviews ESG risks and opportunities with all of its customers and offers sustainability-related insurance that includes natural disaster, agriculture, green energy, and liability insurance. - To engage with brokers on ESG related risks and opportunities, Fubon Insurance organizes courses for insurance brokers and reinsurance companies as needed; the courses cover topics such as sustainable insurance products and information security risk and convey our ESG philosophy to our partners to ensure that when they sell policies, they will have a basic understanding of ESG risks and opportunities. - Thanks to loss control technologies, Fubon Insurance can help clients quickly rebuild their businesses and reduce capital expenditures, limiting potential risks and damage when accidents occur. - Assists companies in managing renewable energy risks, providing risk consulting services to clients that invest in solar power and energy storage projects. - Offers loss control consulting services to the solar power, offshore wind power and energy storage sectors to make the green energy sector more resilient in the face of major disasters; in 2023, Fubon Insurance conducted 25 renewable energy risk assessments, while providing loss prevention training to clients. It also organized ESG-themed risk seminars and auto insurance loss prevention and agriculture insurance publicity campaigns.						
Working together with industry, the public sector and academia to promote sustainability	<table> <tr> <td>Public sector</td><td> - Fubon Insurance has teamed up with the Council of Agriculture to develop agriculture insurance and supports the development of Taiwan's green energy industry in line with national energy policy. </td></tr> <tr> <td>Academic and research institutions</td><td> - Fubon Insurance has developed sustained partnerships with academic and research institutions and national associations. It engages in in-depth technical cooperation and exchanges with these institutions through contractual or technical cooperation arrangements to improve the professional skills of loss control engineers and develop quantitative assessment systems. </td></tr> <tr> <td>Industry associations</td><td> - Fubon Insurance has continued to invest aggressively in research on emerging green energy industries, while digging into potential ESG-related risks across industries and communicating with their respective associations. </td></tr> </table>	Public sector	Fubon Insurance has teamed up with the Council of Agriculture to develop agriculture insurance and supports the development of Taiwan's green energy industry in line with national energy policy.	Academic and research institutions	Fubon Insurance has developed sustained partnerships with academic and research institutions and national associations. It engages in in-depth technical cooperation and exchanges with these institutions through contractual or technical cooperation arrangements to improve the professional skills of loss control engineers and develop quantitative assessment systems.	Industry associations	Fubon Insurance has continued to invest aggressively in research on emerging green energy industries, while digging into potential ESG-related risks across industries and communicating with their respective associations.
Public sector	Fubon Insurance has teamed up with the Council of Agriculture to develop agriculture insurance and supports the development of Taiwan's green energy industry in line with national energy policy.						
Academic and research institutions	Fubon Insurance has developed sustained partnerships with academic and research institutions and national associations. It engages in in-depth technical cooperation and exchanges with these institutions through contractual or technical cooperation arrangements to improve the professional skills of loss control engineers and develop quantitative assessment systems.						
Industry associations	Fubon Insurance has continued to invest aggressively in research on emerging green energy industries, while digging into potential ESG-related risks across industries and communicating with their respective associations.						
Disclosing publicly our progress on a regular basis	Since 2019, Fubon Insurance has disclosed its progress on implementing the Sustainable Insurance Principles annually in the Sustainability Report section on its website and has also issued Fubon Insurance Sustainability Reports that disclose efforts on assessing, measuring and monitoring ESG initiatives.						

7.4 Taskforce on Climate Related Financial Disclosures (TCFD)

Thematic Area	Guidance for All Sectors	Respective Section
Governance	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.4.3 Emerging and Climate Risk Management — Climate Risk Management
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

7.5 Opinion Statement

ISO 14001 Environmental Management System



Fubon Financial Holdings



Fubon Life



Taipei Fubon Bank



Fubon Insurance



Fubon Securities

ISO 50001 Energy Management System



Fubon Financial Holdings



Fubon Life



Taipei Fubon Bank

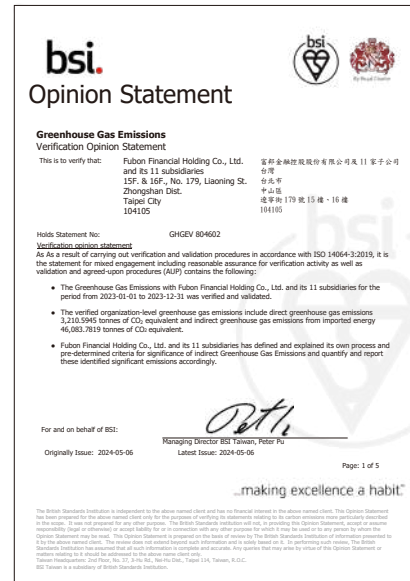


Fubon Insurance



Fubon Securities

ISO 14064-1 Greenhouse Gas Emissions



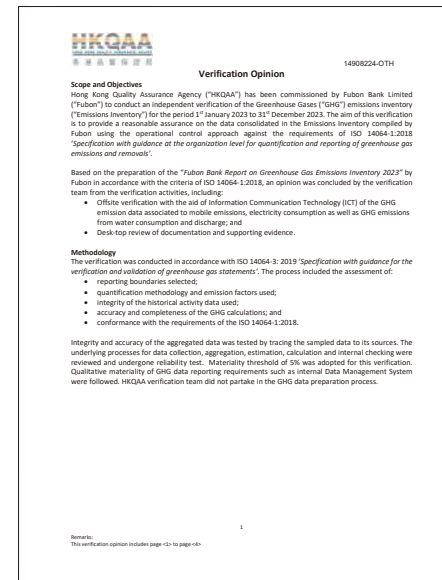
Fubon Financial Holding Co., Ltd. and its 11 subsidiaries



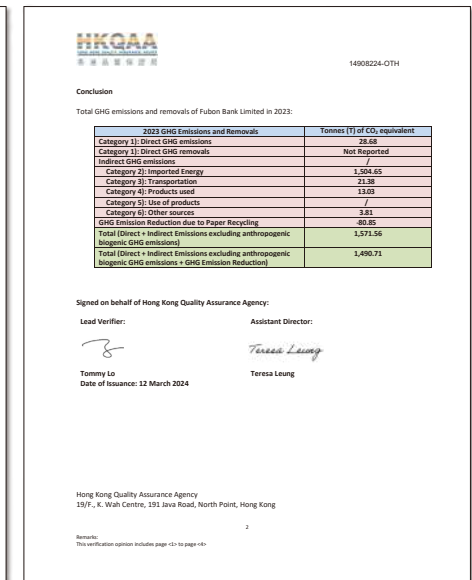
Fubon Bank (China)



Fubon Property and Casualty Insurance



Fubon Bank (Hong Kong)



7.6 Accountant's Independent Assurance Report



普華永道聯合會計師事務所

KPMG

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Independent Limited Assurance Report

To Fubon Financial Holding Co., Ltd.:

We were engaged by Fubon Financial Holding Co., Ltd. ("the Company") to provide limited assurance over the selected information ("the Subject Matter Information") on the Sustainability Report ("the Report") of the Company for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

The Company shall prepare the Subject Matter Information in accordance with the sustainability metrics for Financial and Insurance industry as specified in Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation"), the Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board ("GSSB") and the Sustainability Accounting Standards for Insurance and Commercial Banks issued by Sustainability Accounting Standards Board ("SASB").

Management's Responsibilities

The Company is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the information included in the Report. The Company is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Report that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation and to issue an independence limited assurance conclusion on whether the Subject matter information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the design or implementation of the Company's internal control.

However, the related disclosures of the Greenhouse Gas Emissions (Scope 1, 2 and 3) in the Report, we do not express a limited assurance conclusion about whether such disclosure has been prepared in accordance with relevant applicable criteria.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Summary of Work Performed

As stated in Applicable Criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of the Company;
- Inquiries of responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information;
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent Limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of the Company. Therefore, the different stakeholders may have different interpretations of such information.

Emphasis of Matter

Subject Matter Information includes and covers materiality assessment process, as well as the economic, environmental, and social KPIs within the scope of this report.

Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the Applicable Criteria.



Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the applicable criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report is LEE, FENG HUI.

KPMG

Taipei, Taiwan (Republic of China)

June 21, 2024

Notes to readers

The limited assurance report is the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report, the Chinese version shall prevail.

