

2022



Sustainability Report



| About This Report |

This Report has been written using core disclosures based on the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” and the main framework published by the Global Reporting Initiatives (GRI).

● Report Period

The main information period published in this Report is from January 1, 2022 until December 31, 2022. However, the information of some chapters has been disclosed up to March 31, 2023.

● Boundary and Scope

This Report focuses on the operations of IBF Financial Holding Group in Taiwan, with the range of information covering six companies, including IBF Financial Holdings Co., Ltd., International Bills Finance Corp., IBF Securities Co., Ltd., IBF Venture Capital Co., Ltd., IBF Futures Co., Ltd., and IBF Securities Investment Consulting Co., Ltd., and the IBF Charity Foundation. In addition to the six companies mentioned here, the organizational scope of greenhouse gas inventory stated in this Report also covers the overseas operating entities of IBF Financial Holding Group, including Guo Want International Leasing Corp. and IBF Financial Holding (BVI) Co., Ltd. In the future, IBF Financial Holding Group will plan the incorporation of its overseas operating entities to present the sustainable development of the Group in a more comprehensive manner.

● Data Collection Process and Methods of Measurement and Calculation

The financial performance data of this Report has already been certified by CPAs and disclosed in the annual report of the Shareholders' Meeting. The International Financial Reporting Standards recognized by the Financial Supervisory Commission (FSC) have been adopted to govern relevant statistical data. All the financial figures herein are expressed in NT\$. With respect to the searching of non-financial performance data in this Report, we invited relevant departments to collect and summarize the performance information of IBF Financial Holding Group across economic, social, and environmental aspects based on daily operation management data, education and training, discussions of relevant issues, and interviews with each unit, and in accordance with GRI standards and metrics requirements. The methods adopted for searching, measuring, and calculating the data information regarding the contents of each indicator comply with local regulatory requirements. If no specific provisions have been stipulated in local regulations, international standards shall be followed. If there are no international standards available, industrial standards or conventions are used as a reference.

● Description of Data Deviations

The deviations of data disclosures in this Report from those in 2021 are described as follows. Since the reporting scope of the greenhouse gas inventory of the Company was corrected to all the sites of each subsidiary in the consolidated financial statements in 2022, the inventory disclosure data in 2021 was thus corrected to align with the disclosure method adopted in 2022. To be specific, the emissions of Rakuten International Commercial Bank Co., Ltd., a joint-venture internet-only bank founded by the Company and Rakuten Group, Inc. of Japan, were included in the indirect greenhouse gas emissions generated by products used and organized by IBF Financial Holdings in Scope 3 based on the investment ratio.

● External Assurance

The Company has entrusted PwC Taiwan to perform independent limited assurance of the selected performance indicators herein regarding part of the information in this Report in accordance with ISAE 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information released by the R.O.C Accounting Research and Development Foundation”. For details of the report of limited assurance, please refer to the appendix.

● Publication

IBF Financial Holdings has periodically published reports and disclosed them on its website and MOPS every year since 2014. The previous report was published in September 2022, while this report will be published in August 2023.

● Feedback

IBF Financial Holdings Co., Ltd.

Tel. of Planning Department: +886-2-7752-0088

Email: services@ibf.com.tw

Dedicated Zone for Corporate Social Responsibility:

<http://www.ibf.com.tw/public-welfare11.asp>

Content

I	About This Report	02
	Beliefs and Commitments of IBF Financial Holdings	04
II	Stakeholder Engagement and Analysis of Material Topics	08
01	Corporate Governance	22
02	Financial Service	60
03	Happy Workplace	80
04	Social Inclusion	98
05	Environmental Performance	110
Appendix	I. Independent Limited Assurance Report	132
	II. Principles for Responsible Investment, PRI Implementation Status	136
	III. Principles for Responsible Banking, PRB Implementation Status	137
	IV. GRI Standard 2021 Index	140
	V. Sustainable Operation Indicators	143
	VI. Sustainability Accounting Standards Board (SASB) Index	148
	VII. Comparison table of Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	151
	VIII. Summary of Subject Matters Assured	153
	IX. ISO Certificates	158

| Beliefs and Commitments of IBF Financial Holdings |

IBF Financial Holdings is the only financial holding company in Taiwan that focuses on wholesale finance and direct financial business. With emphasis on banking investments, the Company is highly sensitive to the fluctuations of the international financial market. Therefore, stable operations and development strategies have been adopted. In recent years, in addition to the active provision of digital finance services in the wealth management and investment business of the securities subsidiary in the retail finance market, IBF Financial Holdings partnered with Rakuten Group, Inc. of Japan to establish the first internet-only bank in Taiwan through joint venture. This bank provides assured, safe, and convenient fully digital banking services, and is dedicated to the development of financial inclusion with a brand-new user experience. Looking back to 2022, with the mitigation of the COVID-19 pandemic, global markets opened again, and countries gradually regained their economic momentum, resulting in a flourishing consumer market. However, due to geopolitical conflicts, the change of the global supply chain due to the China-US trade war, and the internalization of the external environmental due to carbon economy trends, we have seen the hidden danger of accompanied long-term inflation. Global central banks have drastically increased interest rates, and financial institutions in Taiwan are facing the impacts and challenges of financial asset appraisal and reallocation across operations.

Not only is it the adjustment of the market risk appetite and preferences, but it also tests the adaptability of financial service practitioners to industrial service patterns in the face of emerging financial consumption patterns. Technologies including big data and AI are in the ascent, while low birth rates have resulted in an aging social structure. The waves of digital finance and green thinking that lead sustainable management are also bringing tremendous opportunities and risks. In consideration of these comprehensive changes to economic structure, financial service practitioners need to face an important issue of whether financial service processes and products can advance with the times. When collecting social resources, financial institutions need to think about how to guide capital, give play to the influence of finance, reasonably allocate resources through the development of investment and financing, and play an important role in terms of social functions. We will further highlight the issues concerning stakeholders, continue to improve favorable corporate governance, and actively practice and develop the Green Finance Action Plan with the objectives of environmental sustainability, social inclusion, and sustainable management and development.

The important role played by financial institutions in industrial development, just like the blood of an enterprise, provides nutrition and energy. In addition to maximizing shareholders' interests and improving profits and operating performance, financial institutions must give equal consideration to the interests of important stakeholders, including clients, employees, and suppliers. IBF Financial Holdings Co., Ltd. has actively responded to the United Nations "Sustainable Development Goals" (SDGs), and given priority to financial development issues, e.g., digital finance innovation, green finance, financial inclusion, treating clients fairly, and information security. Sticking to the concept of human orientation that features social mutual benefits, IBF Financial Holdings reviews its corporate governance and sustainable environment and social welfare practices, and gives play to the influence of positive social values.

Due to the turbulent financial environment last year, the operating environment was full of challenges and uncertainties, and we did not achieve the performance we expected. Therefore, to reinforce the Company's capital robustness, enhance the flexibility of business operations, and accumulate energy for business growth, IBF Financial Holdings has increased its capital by cash for the first time since its establishment, a move supported by all the shareholders and employees. When looking back on the efforts exerted in recent years, we are committed to improving the effectiveness of corporate governance, including maintaining shareholders' interests, strengthening the operations of the Board of Directors, enhancing internal risk management, improving information transparency, and implementing corporate social responsibility. In response to the challenges of global climate change, the Sustainable Development Committee under the Board of Directors of IBF Financial Holdings has also established a climate risk government structure for the Group, assessed the transition risks and physical risks facing the business, and established effective management and business strategies and goals when actively responding to the development opportunities brought by green finance. IBF Financial Holding Group published the TCFD Report for the first time this year. Starting from our

own operations, we have adopted measures to save energy in lighting and air conditioning. The annual greenhouse gas emissions of the Group were reduced by 4.78% compared to 2021. We also established progressive carbon emission goals, marching towards the future of sustainability and net-zero emissions. As for the investment and financing business, we have established a list of industries prohibited from investment and financing and a list of sensitive industries with high carbon emissions with the objective of understanding the basis for concrete actions with important clients. Furthermore, our business input in green investment and financing has realized two-digit, high-speed growth every year. We will formally promise to align with the Science Based Target initiative (SBTi), make an inventory of the carbon emissions derived from investment and financing, and comprehensively plan carbon emission targets in the operation and investment/financing portfolios of the Group prior to the end of 2023, showing our determination to reach net-zero emissions.

Talent is the foundation of a company's professional and innovative services. Understanding this, we place great importance on employees' rights and interests, value human rights policies and gender equality, aim to be a happy workplace, provide competitive remuneration and benefits, and establish unimpeded labor-management communication channels. We provide internal and external education and training to refine colleagues' core skills and enable their career development. In 2022, the total duration of education and training provided by IBF Financial Holding Group reached 60,966.7 hours. Training plans cover basic corporate integrity culture education and professional knowledge needed for operations, and extends to mid-term and long-term skills development in management administration, thus effectively strengthening colleagues' professional competencies and responding to the ever-changing financial market.

In addition to the creation of corporate values and the pursuit of the maximum interests for clients, shareholders, and employees, we have also profoundly realized the risks and potential impact resulting from climate change. We have adopted practical actions to implement green office and green operations, aiming at reducing the impact on the earth. We obtained ISO 14064-1 Greenhouse Gas Inventory, ISO 50001 Energy Management System, and ISO 14001 Environmental Management System certifications of the British Standards Institution (BSI) in both 2021 and 2022. We also effectively practice power-saving measures. In 2022, total power consumption decreased by 0.57% compared to that of the previous year. In accordance with the Sustainable Procurement Policy established by the parent company of IBF Financial Holdings, each company purchased products with environmental labels, energy-saving labels and water-saving labels, and green building materials and recyclable paper, of a total purchasing amount of NT\$ 3,516,000. All our colleagues actively responded to green procurement and supported more changes from sustainable consumption.

Furthermore, green finance is a prioritized field in the global financial industry. We are dedicated to incorporating green finance into culture and creativity, green energy, the biotechnology and medicine industries, and intelligent technology, and sparing no effort in green bonds, green bills, and other relevant business areas. IBF Financial Holdings has voluntarily followed Principles for Responsible Investment (PRI) and Principles for Responsible Banking (PRB) since 2022. The subsidiaries of IBF Financial Holdings, including International Bills Finance, IBF Securities, and IBF Venture Capital, have already established Responsible Financing Guidelines and a Code of Responsible Finance to prioritize credit extensions for green energy industries and support the low-carbon transformation and development of Taiwan. Currently, the total limit of credit granted by International Bills Finance to green and renewable energy industries has reached NT\$ 36.202 billion, ranking first among all professional securities traders. It has also won the "Excellent Solar Photovoltaic System – Top Solar Award" for three consecutive years since 2020, and the "Best Securities Finance Award in the 10th Taiwan Banking and Finance Best Practice Awards.

Faced with an aging society and the wave of digitalization of the financial business, we feel the urgency to respond to the protection of financial consumption and regulatory requirements. The Sustainability Committee has been assigned to supervise and urge each subsidiary to implement the “Principle of Treating Clients Fairly” in practice, establish and specifically implement relevant operating procedures, value the protection of clients’ personal data and the maintenance of information security, and establish dedicated planning, among which subsidiaries including IBF Securities and Rakuten Bank have already obtained the ISO 27001 Information Security certification of the BSI.



In addition to the efforts exerted in the financial industry, IBF Financial Holdings Co., Ltd. has also provided long-term care in society for disadvantaged groups. For many years, we have continually relied on the dedication of the IBF Charity Foundation and volunteers of the enterprise to provide care for the elderly, improve the environment for disadvantaged and disabled people, and support and subsidize dependent children and teenagers. We have also responded to the United Nations Sustainable Development Goal 4 (SDG4) Quality Education, expecting to enhance the employability of disadvantaged families in remote rural areas by offering a diversified learning and education environment, realize the goal of Decent Work and Economic Growth (SDG8), and comply with the sustainable development goals of No Poverty (SDG1) and Zero Hunger (SDG2). Sticking to the spirit of “taking from society and giving back to society”, the IBF Charity Foundation adopts the vision of social inclusion and makes good use of the Group’s resources to extend care to all the corners of society, helping disadvantaged groups truly blend into society, and feel respect and a sense of identity through practical actions. Social welfare activities have been conducted across three major areas: care for disadvantaged children, care for the elderly, and cultivating people with disabilities. IBF Financial Holdings pays attention to the United Nations Millennium Development Goals and cooperates with Make-A-Wish Taiwan to fulfill children’s dreams organized by the Make-A-Wish program. We also sponsored Make-A-Wish Funfest to increase awareness of children with severe illnesses, and help improve the lives of disadvantaged groups. We also donated visual learning aids to the Taipei Parents’ Association for Visually Impaired and helped cultivate skills for visually impaired people to truly realize social inclusion. In addition, we have actively arranged healthcare for the elderly, including bathing plans, catering services, and donating to the construction of a daytime care center. The total number of directly and indirectly benefited people reached 7,159 from 2021 to 2022.

Looking to the future, we will strive to exert positive and benevolent social strength and make IBF Financial Holdings Co., Ltd. a better corporate citizen to create a better and more harmonious society. By periodically releasing our annual corporate sustainability report, the corporate social responsibility efforts exerted by IBF Financial Holdings Co., Ltd. in a given year will be evident, as will our efforts to promote social inclusion, sustainable mutual benefits, and contributions to society and the environment.

IBF Financial Holdings Co., Ltd.

Chairman

A handwritten signature in black ink, consisting of stylized Chinese characters, likely representing the Chairman of IBF Financial Holdings Co., Ltd.





Stakeholder Engagement and Analysis of Material Topics

■ | Identifying Stakeholders
and Material Topics of
Corporate Sustainability

■ | Topics of Corporate
Sustainability

■ | Materiality Analysis of Topics of
Corporate Sustainability

■ | Boundary Identification of Material
Topics of Corporate Sustainability

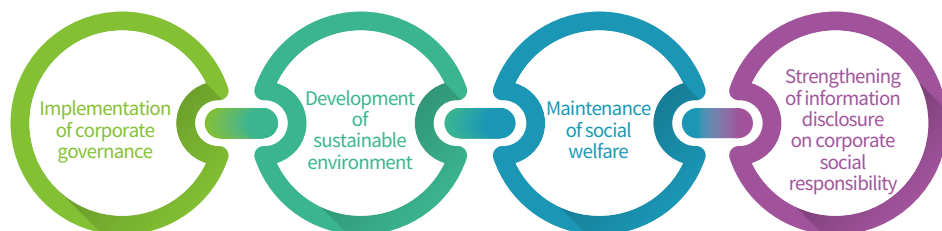
| Shareholder Engagement and Analysis of Material Topics |

The Company's management philosophy and vision is "Trust, Efficiency, Innovation". We treat shareholders, clients, employees, trade partners, and investors sincerely, and place great importance on the expectations and requirements of stakeholders. As for corporate management, we review ourselves against extremely high standards, and we pursue efficiency in terms of capital use, the organizational structure, launching of financial services, and consumption of environmental resources. As for products, services, concepts, and even the pursuit of corporate value, we emphasize pioneering innovation, and have introduced new, high-quality financial products to satisfy clients' needs. We ceaselessly try newer and better management models to maximize the interests of shareholders and employees, and continue to perform our due corporate social responsibility to fulfill our social responsibility.

To actively respond to the needs of society and stakeholders, IBF Financial Holding Group formally incorporated corporate social responsibility into its management in 2014. As expected, through the formal management of corporate social responsibility topics, the Group can prepare and respond to various risks and opportunities, and realize long-term stability in the sustainable development areas.

In 2015, IBF Financial Holdings adopted the United Nations SDGs as its vision for corporate social responsibility practice. In response to the digital era of FinTech, and in consideration of key trends in this field, e.g., digital finance innovation, financial inclusion, information security, regulatory compliance, anti-money laundering, and counter-financing of terrorism, etc., we hope to effectively promote employment, economic growth, and financial innovation, improve education quality and gender equality, and make continual contributions to corporate social responsibility through active effort.

💡 Policies and principles for the practice of corporate social responsibility by IBF Financial Holding Group are as follows:



In order to implement the concept of sustainable management, promote corporate governance, and fulfill corporate social responsibility, the Group established "Sustainable Development Committee" in 2021 as a sustainable decision-making center. This Committee is responsible for integrating the corporate sustainable management plans and practices and the appropriate allocation of resources of each subsidiary. The Chairman serves as the convener of the Sustainable Development Committee, while the senior managers of each subsidiary serve as committee members. Furthermore, a Sustainable Development Office has been established with the President of IBF Financial Holdings serving as its CEO.

The Company has established "Sustainable Finance Policy" which stipulates five major aspects concerning sustainable financial products/services, international engagement, operational management, risk management and sustainable value in pursuit of the Group's sustainable growth and to establish a sustainable development blueprint so as to lead the Company and its affiliated companies to develop a business model in which economic growth and environmental protection coexist, comply with the United Nations Sustainable Development Goals (SDGs), adhere to international sustainable finance initiatives and green finance policies of the competent authorities, and exert a positive impact on building a sustainable society of the financial industry through the Group's core business, aiming to fulfill corporate social responsibility, enhance financial inclusion, and foster the development and innovation of low carbon economic industries.

Identifying Stakeholders and Material Topics of Corporate Sustainability

IBF Financial Holdings believes that identifying and recognizing stakeholders are key to corporate sustainable development. We have identified six groups of stakeholders, i.e., investors, competent authorities, employees, clients, community/charity, and credit rating agencies/financial institutions in the same trade, through discussion and questionnaires conducted by each internal department.

Topics of Corporate Sustainability

In October 2021, GRI published the GRI Standards 2021. Due diligence and human rights related evaluations were improved through the updating of these standards. With respect to the identification of material topics in the 2022 Sustainability Report of IBF Financial Holdings, each working group under the Sustainable Development Committee searched relevant information through internal questionnaires, following which the Company held internal discussions, selected relevant topics, and drafted management guidelines. Relevant evaluation and identification processes are as follows:

Searching and identification

With reference to the GRI Standards 2021, the Sustainable Development Committee has collected practical topics in the financial industry and topics of concern among financial institutions in the same trade, and then summarized 16 sustainability topics of the Company.

Sorting and subsequent evaluation

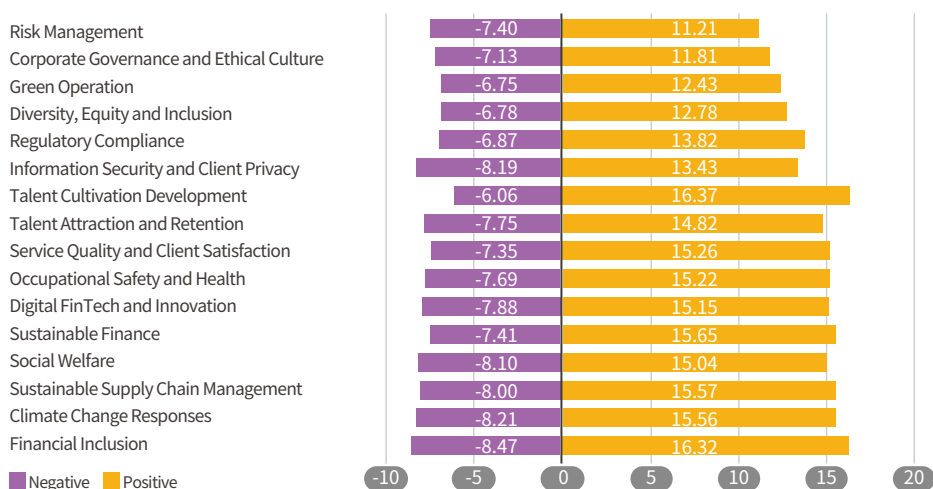
1. Since the topics concerned by each group under the Sustainable Development Committee differ, groups responsible for senior management, corporate governance, social welfare, environmental sustainability, responsible investment, responsible finance, and TCFD were assigned to fill out internal impact assessment questionnaires to evaluate the positive benefits brought by sustainability topics to the Company as well as the possibility of the occurrence and extent of negative impact.
2. A total of 68 questionnaires were collected. The total score of the extent of impact of each sustainability topic was calculated and sorted as the basis for assessment of IBF Financial Holdings on the materiality of the sustainability topics through an analysis of the possibility of occurrence and extent of both positive and negative impacts of each of such topics.

Confirmation of material topics

IBF Financial Holdings made a final resolution to include the top six topics as material topics. Due to the increased attention paid to sustainable finance and climate change in the financial industry, advocacy by the competent authorities, and gradual improvement of relevant regulations and specifications, IBF Financial Holdings also considers the potential impact of climate change on the Company's future finance and expected development of more sustainable finance products to comply with market needs as extremely important. In consideration of industrial trends and topics of concern inside the Company, IBF Financial Holdings made a resolution to add "Sustainable Finance" and "Climate Change" as material topics.

To sum up, there were a total of eight material topics in the 2022 Sustainability Report of IBF Financial Holdings: Risk Management, Corporate Governance and Ethical Culture, Green Operations, Diversity, Equity and Inclusion, Regulatory Compliance, Information Security and Client Privacy, Sustainable Finance, and Climate Change Responses.

Materiality Analysis of Topics of Corporate Sustainability



Boundary Identification of Material Topics of Corporate Sustainability

💡 Management Policy, Objectives and Assessment Mechanism of Material Topics

Material Topics	Risk Management
Corresponding Chapter	Corporate Governance
Significance for Operations (Positive and Negative Impacts)	The key to the sustainable management in the financial industry lies in the effective mastery and reduction of risks. The financial crisis of recent years has further highlighted the significance of risk management. The establishment of a complete risk management plan benefits the improvement of the operational resilience, exempts the enterprise from the impact of crises, and has a positive impact on the Group's reputation and business.
Policies & Commitments	The risk management policy adopted by IBF Financial Holdings covers targets, scope, and management procedures, etc. A variety of risk management principles and limits have also been determined based on different attributes of various risks. The Group has established guidelines for risk management. By clarifying the provisions on authorization and layered accountability and establishing risk limits, IBF Financial Holdings and each subsidiary have drafted relevant business risk management procedures and execution criteria to control and manage various kinds of risks.
Directions	▸ Various risks related to the Company's businesses and each subsidiary are included in the scope of risk management. ▸ In addition to compliance with relevant provisions of the competent authority, each risk management procedure has been executed in accordance with the stipulations set out in the Measures for Risk Management of the Company. ▸ A culture of three lines of defense for internal control have been established to ensure the continual and effective operation of the internal control system.
Objectives	When engaging in each business, the Company and its subsidiaries shall identify, measure, supervise and control related risks, control potential risks within a reasonable extent to realize the best configuration of risks and rewards, and maintain appropriate capital adequacy.
Assessment Mechanism	▸ Project business verification is handled for the finance, risk management, and regulatory compliance of the Group at least once every half year. ▸ Joint department communication meetings are convened annually to discuss the characteristics of high-risk businesses of the Company and its subsidiaries as well as weak points regarding internal control and regulatory compliance.

Material Topics	Corporate Governance and Ethical Culture
Corresponding Chapter	Corporate Governance
Significance for Operations (Positive and Negative Impacts)	A good corporate governance structure and a culture of integrity and ethics are the cornerstone of corporate sustainable development. If the corporate governance structure and system cannot be further improved, a material negative impact will be imposed on operations. The implementation of ethical management can avoid the occurrence of corruption, and shape a positive management image of the Company.
Policies & Commitments	The Group has already established relevant corporate governance rules and regulations, e.g., the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, the Sustainable Development Best Practice Principles, Codes of Ethical Conduct, and the Rules and Procedures for Board Meetings, to strengthen the operational efficiency of the Board of Directors and value ethical corporate management.
Directions	▶ Important resolutions of the Board of Directors have been disclosed on the website of IBF Financial Holdings to promote the transparency and timeliness of information disclosure. ▶ Relevant standards have been developed to prohibit bribery, illegal political donations, improper charitable donations or sponsorships, unreasonable gifts, and other improper interests. ▶ The Company has established a whistleblowing system and confidentiality mechanism to protect whistleblowers from improper treatment. ▶ Employees are assigned to participate in external education and training on the prevention of commercial bribery and insider trading, advocate the ethics policies of the Company, and prevent unethical conduct through internal education and training.
Objectives	▶ Improve the governance appraisal rating and score of the Company year on year. ▶ Continually implement education, training, and advocacy across the entire Group. ▶ Improve the culture of corporate governance according to the policy of the competent authority, refer to the best practice principles, and regularly amend relevant rules and regulations.
Assessment Mechanism	▶ Execute performance evaluations regularly in accordance with the evaluation procedures and indicators determined in the Board of Directors Performance Evaluation Measures. ▶ In 2022, the Company was not involved in any situation that violated professional ethics and integrity. ▶ In 2022, directors, supervisors, and internal officers of IBF Financial Holdings participated in a total of seven internal and external training programs for continuing education.



Material Topics	Green Operation
Corresponding Chapter	Environmental Performance
Significance for Operations (Positive and Negative Impacts)	Net-zero by 2050 has already become an international trend, and Taiwan has promised and established a 2050 net-zero emission pathway. In response to climate change, enterprises may take carbon emission measures like energy-saving, carbon emission and waste reduction, and water-saving in their operations to lower the operational cost and improve business resilience for a positive impact on the environment and economy. However, when enterprises purchase green electricity in great numbers, the supply of the green electricity market may appear insufficient and impact the soon-to-be-effective carbon fee mechanism, which may increase operational costs.
Policies & Commitments	The Company has established the Sustainable Finance Policy, which stipulates five major aspects concerning sustainable financial products/services, international engagement, operational management, risk management and sustainable value in pursuit of the Group's sustainable growth and to establish a sustainable development blueprint to lead the Company and its affiliated companies to develop a business model in which economic growth and environmental protection coexist, comply with the United Nations Sustainable Development Goals (SDGs), adhere to international sustainable finance initiatives and green finance policies of the competent authorities, and exert a positive impact on a sustainable society and the financial industry through the Group's core business, aiming to fulfill corporate social responsibility, enhance financial inclusion, and foster the development and innovation of low carbon economic industries.
Directions	▶ Purchase products with environmental labels, energy-saving labels, and water-saving labels, as well as green building materials and recyclable paper. ▶ Replace old lamps with high-efficiency and energy-saving bulbs and advocate turning off lights for one hour at noon. ▶ Increase the air-conditioning temperature, keep the indoor temperature at 26°C , and control electricity utilization of air conditioning outside of regular working hours. ▶ Introduce the ISO 50001 Energy Management System, ISO 14064-1 Greenhouse Gas Inventory System, and ISO 14001 Environmental Management System, and comprehensively check greenhouse gas emission sources through third-party verification to effectively manage environmental issues. ▶ Evaluate the green electricity market and initially introduce transferred supply of green electricity from the fourth quarter of 2023.
Objectives	▶ Establish the goal of annual reduction of 2% of total carbon emissions on average compared to the base year of 2022, and realize the short-term objective of a reduction of 16% of greenhouse gases in 2030. ▶ Establish the long-term objective of realizing net-zero emissions by 2050. ▶ Establish the objective of reducing total water consumption and waste in 2023 by 1% compared to the base year of 2022. ▶ Introduce internal carbon pricing based on carbon reduction objectives to benefit the sustainable transformation.
Assessment Mechanism	▶ In 2022, the greenhouse gas emissions of IBF Financial Holding Group were reduced by 4.78% compared to 2021. ▶ In 2022, the total power consumption of IBF Financial Holding Group declined by 0.57% compared to 2021.

Material Topics	Diversity, Equity and Inclusion
Corresponding Chapter	Happy Workplace
Significance for Operations (Positive and Negative Impacts)	IBF Financial Holding Group continues to maintain favorable interaction with universities and colleges and has dedicated effort and resources to the cultivation and fostering of new talent, and develops and recruits excellent talent through a fair and reasonable remuneration system.
Policies & Commitments	The Group adopts an employment policy that does not involve any discrimination of gender, race, age, marital or family status, etc. The rights and interests of employees comply with the provisions stipulated in relevant laws and regulations, such as the Labor Standards Act. Personnel rules and regulations have also been established to guide employee behavior.
Directions	▸ Recruit and employ people with disabilities to align with statutory standards. ▸ Establish a personnel management system according to the provisions of relevant labor laws and regulations to assure workers' rights and interests, and regularly hold labor-management meetings. ▸ Set up diversified channels to receive employees' appeals, and arrange immediate and effective disposal measures when employees put forward appeals. ▸ Maintain the competitiveness of salaries with reference to market salary levels to attract and retain excellent talent.
Objectives	▸ Establish a remuneration plan linked with sustainable performance to retain sustainable talent. ▸ Plan the Employee Stock Ownership Trust (ESOT) to improve employees' long-term retention.
Assessment Mechanism	IBF Financial Holdings has been evaluated and included by the Taiwan Stock Exchange Corporation in the constituent stock of the TSWE RSF®Taiwan High Compensation 100 Index for five consecutive years since 2018. The Company complied with the requirements of the key quantified indicators including "employee average remuneration", "net profit", "net worth per share", and "total employee remuneration".



Material Topics	Regulatory Compliance
Corresponding Chapter	Corporate Governance
Significance for Operations (Positive and Negative Impacts)	Since the financial industry is a highly supervisory industry, the Company emphasizes and manages each risk, implements regulatory compliance management, assures compliance with relevant business laws and regulations, lowers operational risks and penalties, and improves operational performance and social identity.
Policies & Commitments	The Company has established and executed the Regulations for the Legal Compliance System, plans for anti-money laundering and counter-financing of terrorism, and updates them when appropriate in coordination with local and foreign specifications.
Directions	▶ Continue to strengthen the awareness of the team of regulatory compliance and publicity of laws and regulations, regularly review relevant work, update management rules and regulations when appropriate in coordination with the regulations and adopt mechanisms involving tracking, self-evaluation, self-inspection and assessment of regulatory compliance to implement a culture of regulatory compliance and risk management, and avoid violations. ▶ The Company provides diversified education and training programs on regulatory compliance/anti-money laundering that comply with scientific and technological development trends. The themes include the trends and experience of international regulatory compliance, highlights of the latest amendments to relevant financial laws and regulations, financial fraud trends and patterns of transaction capital flow, sustainable finance, and ethical corporate management, financial cybersecurity trends, insider trading, anti-bribery, and anti-corruption laws and regulations, case studies, and other related programs, with the objective of developing a financial culture based on the core value of integrity.
Objectives	▶ Establish comprehensive management guidelines based on GRI Standards, ensure that all business rules and regulations comply with each operation standard, implement short-term, medium-term, and long-term targets, implement an internal management model with three lines of defense, systematically manage regulatory compliance risk, regularly inspect the handling status every year, continue to improve and implement regulatory compliance education and training across the Group, and ensure employees' involvement and disclosure in the sustainability report. ▶ Deepen sustainable governance. The remuneration of managers of each company in the Group is linked with regulatory and sustainability compliance performance and appraisal; cultivate the essential abilities required of employees of the Group for digital transformation as well as the necessary digital technology skills. The number of effective licenses obtained by human resources in the Group has increased by 10% on an annual basis with the expectation of promoting the business and giving equal consideration to the implementation of laws and regulations to bolster the Group's synergies. ▶ Apply big data management to provide clients with financial services, supplement diversified channels to promote financial education, and help clients establish the correct financial knowledge and lower the risk of fraud with the objective of realizing operational compliance goals and zero violations. Continue to strengthen client relations and privacy management as well, and follow the joint defense cybersecurity mechanism to ensure fair treatment of clients and financial inclusion.
Assessment Mechanism	The Company regularly holds four regulatory compliance meetings and two Group meetings on anti-money laundering and counter-financing of terrorism every year, publicizes important laws and regulations, and conducts case studies. The Company also tracks and confirms that each subsidiary indeed considers the impacts of their operating behaviors on the environment and society, implements sustainable development in the decision-making process of business evaluations, and urges clients to pay more attention to corporate responsibilities involving environmental protection, climate change, and human rights in corporate management to effectively promote sustainable development and allow the Company to influence the environment and society.

Material Topics	Information Security and Client Privacy
Corresponding Chapter	Financial Service
Significance for Operations (Positive and Negative Impacts)	IBF Financial Holding Group highly values information security. Due to the frequent occurrence of financial crimes and hacker attacks in recent years, the risks of overall operation may be substantially increased if our employees do not have sufficient knowledge on information security, or the cybersecurity protection capability of software and hardware devices is inadequate. Through the strengthening of personal data protection and management, the Company's losses can be lowered, the clients' rights and interests can be safeguarded, and the satisfaction and trust can be improved.
Policies & Commitments	In order to promote the security of affiliates' information business and related information assets, carry forward the spirit of self-discipline, prevent the occurrence of security incidents that affect the confidentiality, integrity and availability of information and systems during the information processing work, and ensure the safe and effective operation of the information processing work, IBF Financial Holding Group has assigned the Information Department to take charge of the overall information security planning and management. International Bills Finance, IBF Securities, IBF Securities Investment Consulting, and IBF Futures under the Group have also internally established "Information Security Policy" for observation.
Directions	▶ Regularly conduct the practices of email social engineering to strengthen colleagues' awareness of cybersecurity and inspect their knowledge on the prevention of email social engineering. ▶ Irregularly advocate information related to the Personal Data Protection Act to the colleagues and the management in addition to the annual organizing of education and training courses on "Personal Data Protection Act". ▶ Provide email data loss protection (DLP) function in response to the implementation of the Personal Data Protection Act, and take relevant disposing measures according to the results of detection. ▶ Import database auditing tools, record the changes and accessing processes of the database system, and monitor the access to the contents of important and sensitive data, to make the information security system better.
Objectives	▶ Allocate full-time personnel, strengthen education and training, and additionally purchase software and hardware for cybersecurity protection. ▶ Deepen the continual practices of core data preservation and operation. ▶ Promote the introduction of international cybersecurity management standards, and establish a cybersecurity monitoring mechanism.
Assessment Mechanism	▶ In 2022, the Group was not involved in any situation proved as infringing upon clients' privacy or losing clients' data. ▶ In 2022, the Group was not involved in any incident of information leakage. ▶ In 2022, the duration of education and training provided on cybersecurity reached 5,666 hours.

Material Topics	Sustainable Finance
Corresponding Chapter	Financial Service
Significance for Operations (Positive and Negative Impacts)	Comply with international sustainable finance development trends, lead capital to projects related to sustainable development, fulfill the core functions of financial institutions, and achieve sustainable management across areas impacting the environment, economy, and society. The Company and each subsidiary place great emphasis on the sustainable performance of investment and financing objectives, and believe that the inclusion of ESG-related topics in analyses and management before and after investment and financing can effectively lower the risks.
Policies & Commitments	To further implement the principle of due diligence governance and fulfill our obligations as an asset manager, the Company has included topics related to ESG in investment considerations with reference to the Principles for Responsible Investment (PRI) to increase the overall interests of the Company, shareholders, and clients. To facilitate the Company's execution of ESG risk control upon the undertaking of commercial paper guarantee and underwriting of business, subsidiaries have established Codes of Responsible Finance in accordance with the Sustainable Finance Policy of IBF Financial Holdings.
Directions	▶ The "ESG Risk Evaluation of Responsible Investment Checklist" must be filled out and an ESG risk evaluation conducted according to the "ESG Risk Evaluation Process in Responsible Investment Table" before purchasing guaranteed corporate bonds from financial institutions for the first time, or for the first application for a limit of investment objectives, and then relevant decisions made based on the evaluation results to control ESG related risks in practice. ▶ Promote sustainable finance products and services based on the core business of finance, including underwriting of green bonds, provision of green finance, and engagement in green investment. ▶ Provide preferential interest rates for clients that comply with fixed rate commercial paper (FRCP) standards through FRCP underwriting. ▶ Actively develop credit clients related to net-zero emission industries like electric cars, hydrogen cells, and buildings with low energy consumption.
Objectives	▶ Adopt green bonds issued for ESG as investment targets to lower the ratio of high-emission industries. ▶ Continually include carbon emission data and grant loans to respond to the government's goal for net-zero economic transformation. ▶ Continue to develop relevant clients in green energy technology industries, and undertake cases involving energy storage systems, solar power station equipment and engineering finance, geothermal power generation, wind power generation, and environmentally friendly regeneration to continually grow the credit limit.
Assessment Mechanism	▶ In 2022, the Company invested in 15 types of sustainable development bonds, involving a total amount of NT\$ 4.806 billion. ▶ In 2022, subsidiary International Bills Finance presented a total credit balance of NT\$ 17.139 billion in green electricity and renewable energy industries. ▶ Subsidiary International Bills Finance has won the excellent financial service award in the Excellent Solar Photovoltaic System – Top Solar Awards for three consecutive years since 2020.

Material Topics	Climate Change Responses
Corresponding Chapter	Environmental Performance
Significance for Operations (Positive and Negative Impacts)	IBF Financial Holding Group deeply understands the risks and potential impact of climate change, including the direct impact of extreme climate, such as floods and wind disasters, on corporate operations and potential transition risks faced by high-emission industries due to the collection of carbon fees, which may further influence the expected loss amount from credit risks. However, with the improvement of enterprises' awareness of climate risks, the Group can enhance the resilience of its core business as well as risk.
Policies & Commitments	The Company has established four core constructs, governance, strategy, risk management, and metrics and targets, in accordance with the disclosure framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board (FSB) to improve overall climate resilience.
Directions	▶ Publish an independent report according to the TCFD framework. ▶ Include climate change risks in risk management policy, and report implementation status to the Board of Directors. ▶ Identify the risks and opportunities of climate change every year, and establish three lines of defense for internal control. ▶ Analyze the transition risks of major carbon emission accounts and use the internal credit rating model of the Company to calculate the range of upgrading/downgrading and expected credit risk loss amount based on carbon fees collected in the future. ▶ Establish responsive measures to address various disasters, including the establishment of a disaster emergency response group, regular drills, and disaster recovery.
Objectives	▶ Introduce PCAF methodology to assess the financial carbon emissions of the investment and financing portfolios of the Group. ▶ IBF Financial Holdings will formally promise to align with the Science Based Target initiative (SBTi), and comprehensively plan carbon emission targets in the operation and investment/financing portfolios of the Group prior to the end of 2023. ▶ Establish an improved responsive measure plan in accordance with the results of continually developing climate scenario analyses.
Assessment Mechanism	▶ Review the adaption and mitigation of climate risks as well as management cost and achievements of strategic action for climate opportunities. ▶ In the disclosure of metrics and targets in the TCFD report, the Company tracks the changing range of multiple metrics compared to the previous year to evaluate the effect of related actions.

SDGs	Goals related to IBF Financial Holdings	Corresponding Chapter	Strategy and practice by IBF Financial Holdings
 SDG1 No Poverty	1.4 By 2030, ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance.	▸ 4.1.3 Equal Use and Promotion of Financial Service Policy	▸ Providing door-to-door account opening service for the disadvantaged groups ▸ Taking friendly measures for people with mental and physical disabilities
 SDG2 Zero Hunger	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round.	▸ 4.3 Public Welfare Activities of the Group	▸ Village Safety Box Friendly Plan
 SDG3 Good Health and Well-being	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	▸ 3.1.4 Actions and Effect of Promotion of Employee Rights and Benefits	▸ Subsidizing employee health check
 SDG4 Quality Education	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	▸ 4.1.1 Promotion of Improvement of Financial Knowledge and Promoting Actions ▸ 4.2.2 Review of Public Welfare Activities in 2022	▸ Providing finance publicity to the disadvantaged groups ▸ Supporting the career development of people with mental and physical disabilities
 SDG5 Gender Equality	5.1 End all forms of discrimination against all women and girls everywhere.	▸ 3.1.1 Significance of Employee Rights and Benefits	▸ Equal pay for equal work regardless of gender
 SDG7 Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	▸ 2.5.2 Actions and Effect of Promotion of Sustainable Finance ▸ 2.5.3 Operation Business Related to the Material Topic of Sustainable Finance	▸ Investing in green energy technology industries and winning recognition from the competent authority for many times

SDGs	Goals related to IBF Financial Holdings	Corresponding Chapter	Strategy and practice by IBF Financial Holdings
 SDG8 Decent Work and Economic Growth	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.	▸ 3.1.1 Significance of Employee Rights and Benefits ▸ 2.4.3 Actions and Effect of Promotion of Digital Finance	▸ Establishing a complete remuneration and welfare system and implementing equal pay for equal work regardless of age and gender ▸ Launching innovative digital services and developing finance-friendly products
 SDG9 Industry, Innovation and Infrastructure	9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	▸ 2.5.2 Actions and Effect of Promotion of Sustainable Finance ▸ 4.1.2 Promotion of Development of SMEs	▸ Investing in and financing six core strategic industries ▸ Providing credit extension services for SMEs
 SDG10 Reduced Inequality	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	▸ 3.1.1 Significance of Employee Rights and Benefits	▸ Equal pay for equal work without discrimination in gender, race, age, marriage and family status, etc
 SDG13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	▸ 2.5.2 Actions and Effect of Promotion of Sustainable Finance ▸ Chapter 5 Environmental Performance	▸ Investing in green energy technology industries ▸ Actively promoting energy-saving and carbon reduction measures in the operation
 SDG16 Peace, Justice and Strong Institution	16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime. 16.6 Develop effective, accountable and transparent institutions at all levels.	▸ 1.6.3 Actions and Effect of Promotion of Regulatory Compliance, Anti-money laundering, and Counter-Financing of Terrorism ▸ 1.3.2 Corporate Governance Structure and Policy	▸ Revising relevant regulations governing the anti-money laundering and Counter-Financing of Terrorism ▸ Continuing to strengthen corporate governance

We consider material topics concerning each stakeholder, and consider the corporate social responsibility policy and principles of IBF Financial Holdings when drafting specific action plans to improve our corporate sustainability performance. We provide diversified communication channels and information disclosure media, and maintain favorable dialog and communication with stakeholders.

Stakeholder	Affected topics	Communicating channels
 Shareholders	▸ Risk Management ▸ Corporate Governance and Ethical Culture ▸ Regulatory Compliance ▸ Information Security and Client Privacy ▸ Sustainable Finance	▸ Regularly convening Shareholders' Meetings every year ▸ Irregularly disclosing information on MOPS and the corporate website. ▸ Providing investor contact window and service mailbox
 Competent authority	▸ Risk Management ▸ Corporate Governance and Ethical Culture ▸ Regulatory Compliance ▸ Sustainable Finance	▸ Regularly reviewing regulations ▸ Assisting the formulation of relevant specifications
 Employees	▸ Risk Management ▸ Corporate Governance and Ethical Culture ▸ Regulatory Compliance ▸ Diversity, Equity and Inclusion	▸ Directly communicating with the supervisors ▸ Making internal proposals ▸ Regularly convening labor-management meetings ▸ Performing regular or irregular performance assessment
 Clients	▸ Risk Management ▸ Corporate Governance and Ethical Culture ▸ Regulatory Compliance ▸ Information Security and Client Privacy ▸ Sustainable Finance	▸ Client service dedicated line and email ▸ Adhesion contract ▸ Irregularly organizing fellowship activities for clients
 Community / Charity	▸ Ethical Management ▸ Social Welfare	▸ Through the International Bills Finance Corporation Social Welfare Charity Foundation
 Credit Rating Agencies/ Financial Institutions	▸ Risk Management ▸ Corporate Governance and Ethical Culture ▸ Regulatory Compliance	▸ Participating in external appraisal. ▸ Participating in study plans and seminars ▸ Irregularly disclosing information on MOPS and the corporate website.

Note: If relevant communicating channels are not expressly described as regular, the communication frequency will be irregular.



Chapter 1 Corporate Governance

1.1 | About IBF Financial Holdings

1.2 | Operating Performance

1.3 | Corporate Governance

1.4 | Risk Management

1.5 | Integrity Culture

1.6 | Regulatory Compliance, Anti-money Laundering, and Counter-Financing of Terrorism

United Nations Sustainable Development Goals (SDGs)	Sustainability Performance in 2022
	✦ According to the results of the 9th Corporate Governance Evaluation System (year of appraisal: 2022), although the Company only ranked 21-35% among all evaluated public companies, the score improved compared to the previous year. ✦ There were four independent directors at the end of 2022, accounting for 30.8% of all director seats, superior to the number stipulated in relevant laws and regulations. ✦ The average in-person attendance rate of the Board of Directors reached approximately 98%. ✦ Education and training relating to anti-money laundering and combatting of terrorism financing organized by IBF Financial Holding Group were attended by approximately 574 people, with a total training duration of approximately 4,727 hours; 251 individuals certifications.

1.1 | About IBF Financial Holdings |

1.1.1 Basic Information

Name	IBF Financial Holdings Co., Ltd.	Total assets	NT\$ 358,338,860,000
Date of incorporation	March 26, 2002	Employee number	1,584
Address of headquarters	17F, No. 128, Lequn 3rd Road, Zhongshan District, Taipei 104, Taiwan (R.O.C.)	Industry	Finance
Capital	NT\$ 34,473,840,000	Stock code	2889

➤ Profile of operating activities

💡 IBF Financial Holdings Co., Ltd.

IBF Financial Holdings Co., Ltd. ("IBF Financial Holdings") is engaged in the business of bills, securities, investment consulting, futures, and venture investment, etc., and it established the joint venture Rakuten Bank in 2020 through cooperation with Rakuten Group, Inc. of Japan, thus setting foot in the banking industry. In addition to the supervision of opening-up progress, planning of internal strategies, and promotion of internet-only banking business, including wealth management and housing loans, IBF Financial Holdings will continue to study and draft diversified incorporation and merger plans for financial institutions in the future, and seek suitable M&A targets for the purposes of expanding the business scope and operational scale of IBF Financial Holdings, providing clients with more diversified financial services, and developing in a direction of all-around financial holdings.

💡 International Bills Finance Corp.

International Bills Finance Corp. ("International Bills Finance") is a major bills company established in Taiwan, and mainly deals with the business items of underwriting, certification, guarantee, and endorsement of commercial papers, as well as trading, certification, and underwriting of treasury bills, transferable bank fixed deposit receipts, acceptance bills, commercial papers, governmental bonds, and corporate bonds. It currently has nine operating sites in key regions of Taiwan.

💡 IBF Securities Co., Ltd.

IBF Securities Co., Ltd. ("IBF Securities") mainly deals with brokerage, self-operation, and underwriting, and the business has continually expanded and developed towards diversification. In addition to network securities services, it has established a total of 26 operating sites, including a head office, key regions of Taiwan, and has developed into a well-known securities trader in Taiwan.

💡 IBF Venture Capital Co., Ltd.

IBF Venture Capital Co., Ltd. (“IBF Venture Capital”) is mainly engaged in venture investment management, including direct capital provision for invested enterprises, and provision of enterprise operation, management, and consulting services. Investment targets include local and foreign high-tech enterprises, general manufacturing enterprises with high growth potential, and enterprises with potential for investment in local and foreign biotechnology, and culture and creativity.

💡 IBF Securities Investment Consulting Co., Ltd.

The main business items of IBF Securities Investment Consulting Co., Ltd. (“IBF Securities Investment Consulting”) include security investment consulting, investment entrustment with full authority, and other business areas approved by the competent authority.

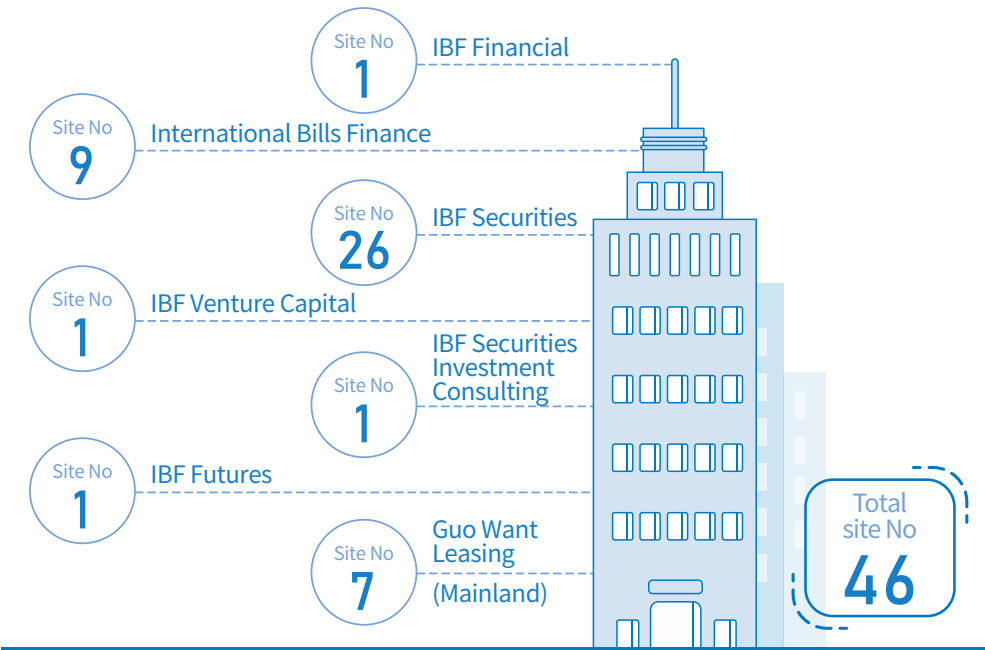
💡 IBF Futures Co., Ltd.

The business scope of IBF Futures Co., Ltd. (“IBF Futures”) includes futures brokerage, consulting, and self-operation. IBF Futures has always focused on strict requirements for the ethics of service staff in the hope that the best customized investment services can be provided for clients so it can develop into a loyal wealth management partner for clients.

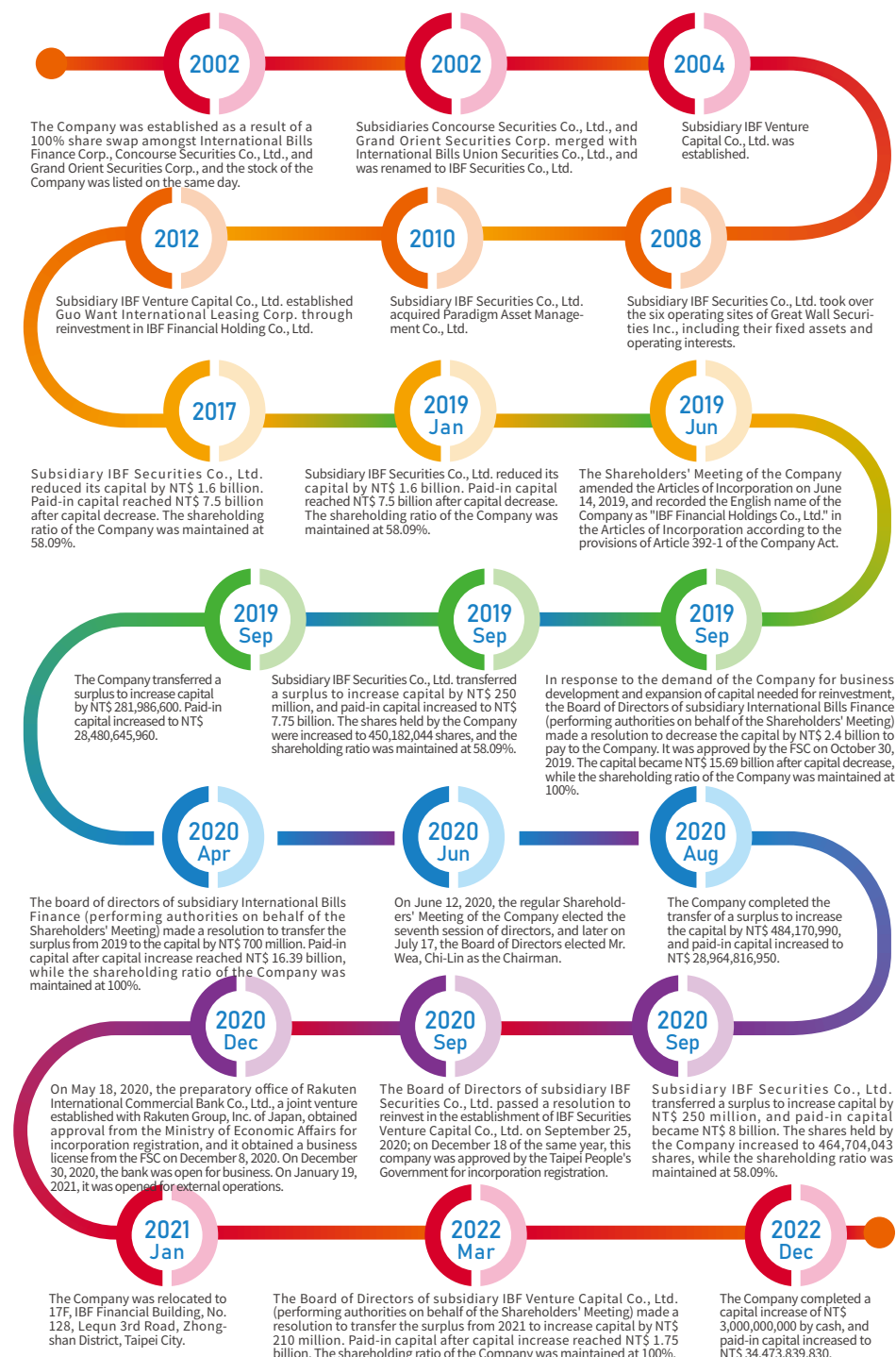
💡 Guo Want International Leasing Corp.

Guo Want International Leasing Corp. (“Guo Want Leasing”) is a company with both financial holding resources and professional leasing agents with the tenet of providing corporate clients with quick and complete financing solutions, customizing suitable products based on clients’ needs, assisting the growth of SMEs, and promoting the economic development of the Chinese mainland.

➤ Number of main operating sites of IBF Financial Holding Group at the end of 2022



1.1.2 Important Events



1.1.3 Participation in External Organizations

Company	Name of society/association	Time of joining	Participation method	Number of seats held in the society/association
IBF Financial Holdings	The Bankers Association of Taipei	2002	Periodical meeting attendance	1 seat of council member
	The Bankers Association of the Republic of China	2002	Periodical meeting attendance	1 seat of supervisor
	The Equity Investment Association of the Republic of China	2010	Periodical meeting attendance	1 seat of council member
	The Chinese National Association of Industry and Commerce, Taiwan	2011	Periodical meeting attendance	1 seat of member
	The Taipei Leasing Association, R.O.C.	2012	Periodical meeting attendance	1 seat of council member
	Taiwan Institute of Directors	2012	Periodical meeting attendance	1 seat of member
	Cross-Strait CEO Summit	2013	Periodical meeting attendance	1 seat of member
	Taoyuan Enterprise Chamber	2016	Periodical meeting attendance	1 seat of member
	The Third Wednesday Club-Young Entrepreneur Group	2019	Periodical meeting attendance	1 seat of member Representative: Wea, Chi-Lin
	Taiwan Stock Affairs Association	2020	Periodical meeting attendance	1 seat of council member 1 seat of member of the Stock Research Group
International Bills Finance	R.O.C. Bills Finance Association	2002	Participation in multiple committees related to bills, bonds, credit extension, information, accounting, risk control, regulation, and business development	1 seat of executive council member, 1 seat of council member, and 1 seat of supervisor
	The Bankers Association of Taipei	1979	Periodical meeting attendance	1 seat of consultant
	The Bankers Association of the Republic of China	1983 ^{Note}	Periodical meeting attendance	1 seat of member
	Securities Investment Trust & Consulting Association of the R.O.C.	1998	Participation in bond and wealth management committee	1 seat of member
	Financial Information Security Sharing and Analysis Center	2018	Information communication	1 seat of member
IBF Securities	Securities Investment Trust & Consulting Association of the R.O.C.	1998	Periodical meeting attendance	3 seats of member and 1 seat of supervisor

Company	Name of society/association	Time of joining	Participation method	Number of seats held in the society/association
IBF Securities	Chinese National Futures Association (Introducing Broker)	1998	Periodical meeting attendance	2 seats of member
	Chinese National Futures Association (Futures Proprietary)	2007	Periodical meeting attendance	2 seats of member and 1 seat of council member
	Securities Investment Trust & Consulting Association of the R.O.C.	2008	Periodical meeting attendance	1 seat of member
IBF Venture Capital	Taiwan Venture Capital Association	2004	Periodical meeting attendance	1 seat of member
	Taiwan Chamber of Commerce & Industry	2012	Periodical meeting attendance	1 seat of member
	Taiwan Sunshinebless Associations	2014	Periodical meeting attendance	1 seat of member
IBF Securities Investment Consulting	Securities Investment Trust & Consulting Association of the R.O.C.	2000	Participation in general meeting	3 seats of member
IBF Futures	Chinese National Futures Association	1995	Participation in general meeting Periodical meeting attendance	1 seat of executive council member, 7 seats of member representatives (5 for brokerage, 1 for self-operation, and 1 for consulting), and committee members (13 committee members and 1 committee convener)
	Taiwan Futures Exchange	1997	Periodical meeting attendance	Member of the settlement committee
	Taiwan Financial Services Roundtable	2015	Periodical meeting attendance	Member
	Financial Information Security Sharing and Analysis Center	2020	Periodical meeting attendance	Member
	Securities Investment Trust & Consulting Association of the R.O.C.	2022	Participation in general meeting	Member

Note: This association was founded in 1983. International Bills Finance joined this association very early, and there was no record of the exact date of its participation.

In response to international net-zero trends, the Company participated in the joint signing of the Chinese National Association of Industry and Commerce, Taiwan, of the 1.5 C Climate Action Declaration in 2022.

1.2 | Operating Performance |

1.2.1 Operating Strategies and Results

The Company has always adhered to the management philosophy of “Trust, Efficiency, Innovation”, and strived to satisfy clients’ needs, increase shareholders’ return on investment, and practice the commitments made to employees through stable and innovative operations and professional investment management capabilities. It also pursues the maximum interests of clients, shareholders, and employees, responds to concerns from each stakeholder, and expects to fulfill its corporate responsibility by paying back to society with a management philosophy of sustainable development. The operating results of subsidiaries of the Company in 2022 are described as follows:

Despite the increase in scale of the bills business of International Bills Finance in 2022, the bonds business was affected by global interest rate hikes, resulting in a decrease in gains on trading operations and income from yielding. Net profit after taxes amounted to NT\$ 1.77686 billion in 2022.

In 2022, IBF Securities was affected by the weakening of global major stock markets due to the interest rate increase cycle initiated by major countries. The Taiwan stock market was affected, resulting in a decrease of over 20% of TAIEX and the GTEX, as well as a sharp decline in daily turnover in the value of the stock market, which exerted an impact on the revenue of each business of IBF Securities. Net profit after tax in 2022 amounted to NT\$ 897.99 million.

In 2022, IBF Venture Capital invested heavily in semiconductor, electrical machinery, and conventional industries stocks. At the end of 2022, securities investments amounted to NT\$ 1.2306 billion (excluding long-term investments using the equity method of NT\$ 1.32913 billion). Due to significant fluctuations in global capital markets and the corresponding weakening of three Taiwan stocks, the performance of capital markets was lower than expected. However, Guo Want Leasing Company, a reinvestment in mainland China, experienced stable operations with a profit of RMB 15.25 million for the year. Net loss after taxes of IBF Venture Capital amounted to NT\$ 545.6 million for the year.



1.2.2 Operating Performance

Unit: NT\$ 1,000

Item	2019	2020	2021	2022
Net income	6,975,029	8,570,151	10,163,867	5,832,566
Operating cost	3,403,737	3,827,410	4,668,112	3,581,157
Net income for the current period	3,008,250	3,734,919	4,605,050	1,654,314
Average revenue per employee	4,568	5,569	6,474	3,682
Average profit per employee	1,970	2,427	2,933	1,044
Employee benefit expense	2,218,116	2,682,234	3,297,935	2,428,233
Earnings per share (NT\$)	0.92	1.12	1.30	0.41
Return on stockholder's equity (%)	7.92	9.05	10.60	3.83
Net profit margin ratio (%)	43.13	43.58	45.31	28.36
Tax amount paid (refunded)	747,659	881,006	1,167,564	1,189,310
Cash dividends per share (NT\$)	0.65	0.65	0.65	0.65
Stock dividends per share (NT\$)	0.17	0.35	0.50	0.5
Taxes paid to the government ^{Note 1}	706,369	832,816	1,102,509	1,118,526
Amount paid to contributors ^{Note 2}	1,268,939	1,851,242	1,876,213	1,948,381
Community investment ^{Note 3}	3,110	3,204	9,739	8,111

Data source: Consolidated financial statements of IBF Financial Holdings for the year 2022 as verified and certified by CPAs.

Note 1: Taxes paid to the government include income tax, business tax, securities transactions tax, etc.

Note 2: The amount paid to the contributors are actual interest and dividend expenditure.

Note 3: Community investment refers to the donation amount of the Group and the subsidiaries in 2022.

1.3 | Corporate Governance |

1.3.1 Significance of Corporate Governance

The Company is acutely aware that a good corporate governance structure is the foundation for its sustainable development. In addition to a complete structure of the Board of Directors, IBF Financial Holdings is able to fulfill its responsibilities of supervision and guidance with diversified director backgrounds and the implementation of good governance by separating managerial right from ownership. By relying on the independence of independent directors, the Company implements ethical corporate management.

The Company added a Corporate Governance Department and appointed Chief Governance Office and corporate governance personnel in 2019 to specifically deal with corporate governance related affairs. The Company has also formulated all internal rules and regulations regarding corporate governance. In 2021, the rules and regulations amended regarding corporate governance included the Rules of Procedure for Shareholders' Meetings, the Rules for the Election of Directors, and the Rules of Organization for the Remuneration Committee to strengthen the operational efficiency of the Board of Directors and safeguard shareholders' rights and interests. In addition, the Company synchronously declares major information in English, has established an English corporate website with content covering finance, business operations, and corporate governance information of the Company, and has taken other relevant measures to improve the disclosure ratio of the Company's English information and enhance information transparency.

According to the results of the 9th Corporate Governance Evaluation System (year of appraisal: 2022), although the Company only ranked 21-35% among all evaluated public companies, the score improved compared to the previous year. In the future, the Company will continue to coordinate with the competent authority, and improve the Company's corporate governance effectiveness in accordance with the guiding principles of corporate governance appraisal indicators and the planning of the competent authority's Corporate Governance

1.3.2 Corporate Governance Structure and Policy

With a deep understanding that the financial industry is a trust-oriented industry, IBF Financial Holdings has established a corporate governance policy that focuses on creating a friendly corporate governance culture and environment, assisting the Board of Directors to function and lead the Company to create maximum interests for shareholders, and fulfilling the Company's corporate social responsibility as the highest guiding principle.

After the Board of Directors passes relevant policies regarding strengthening operations of the Board of Directors, safeguarding shareholders' rights and interests, reinforcing internal risk management, improving information transparency, and implementing corporate social responsibility, each unit implements all important corporate governance policies based on their respective responsibilities, and internalizes the good corporate governance culture.

The rules and regulations already established by IBF Financial Holdings regarding corporate governance are as follows:

"Rules of Procedure for Shareholders Meetings", "Rules and Procedures of Board Meetings", "Rules for Election of Directors", "Board of Directors Performance Evaluation Measures", "Rules of Organization for Audit Committee", "Rules of Organization for Remuneration Committee", "Rules Governing the Scope of Powers of Independent Directors", "Regulations Governing Information Disclosure by Listed Companies", "Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Procedure for Handling Cases", "Implementation Criteria for Regulatory Compliance", "Corporate Governance Best Practice Principles", "Corporate Social Responsibility Best Practice Principles", "Highlights for Information Share of the Group Regarding Anti-Money Laundering and Counter-Financing of Terrorism" and "AML/CFT Program".

The Company convenes Shareholders' Meetings and the Board of Directors according to the provisions of the Company Act and relevant laws and regulations. Matters to be resolved by the Shareholders' Meeting and Board of Directors shall be executed according to the rules of procedure, and the finance and business operations of the Company are regularly provided to shareholders through the MOPS information system and Company website.

The Company regularly plans overall management strategies, and risk management policies and guidelines of the Company and its subsidiaries, and has established an independent risk management department to handle comprehensive risk evaluation and to implement a necessary control mechanism over subsidiaries. The Regulatory Compliance Unit is subordinated to the President and is responsible for planning, management, and execution of the regulatory compliance system, and a supervisor at Executive Vice President level is assigned to serve as the supervisor of comprehensive regulatory compliance of the general organization. This officer reports the status of regulatory compliance to the Board of Directors and the Audit committee at least once every half year.

IBF Financial Holdings has set up the position of “Chief Governance Officer” under the President, and appointed the Corporate Governance Department as the dedicated unit for corporate governance and ethical management to assist the Board of Directors in promoting a complete corporate governance structure by IBF Financial Holdings and each subsidiary to safeguard shareholders’ rights and interests, strengthen the functionality of the Board of Directors, and ensure the execution of the corporate governance policy.

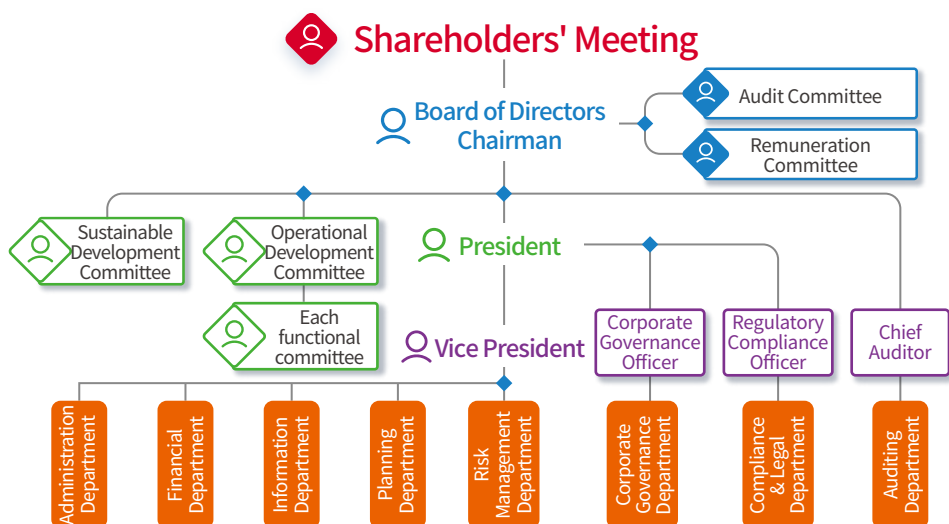
The main tasks of corporate governance personnel include (1) providing documents necessary for directors to perform their duties, (2) assisting directors with legal compliance, and (3) legally handling matters related to board of director and shareholder meetings.

The Company has clearly established the responsibilities of each unit in the rules of organization, and clearly assigned management responsibilities for personnel, assets, and finance. The Company has also signed a confidentiality agreement on the disclosure of clients’ data with each subsidiary to ensure the privacy of such data.

➤ Corporate Governance Structure

As the highest decision-making hierarchy of the Company for the substantial promotion of corporate governance, the Board of Directors performs the responsibilities of appointing and supervising the operation team, avoiding conflicts of interest, and ensuring compliance with various laws and regulations. To improve the operation efficiency of the Board of Directors and management and supervision functions, the Audit Committee and Remuneration Committee have been established under the Board of Directors of IBF Financial Holdings to regularly report their activities and resolutions to the Board of Directors, thus assisting the Board of Directors in performing its supervisory responsibilities. Additionally, to satisfy operating performance and management needs of invested enterprises, the Operational Development Committee has been established in accordance with Article 27 of the Articles of Incorporation. This committee is subordinated to the Board of Directors, and is assigned to plan medium- and long-term operational development, the application of capital and medium- and long-term capital, the deliberation of affiliates’ operating objectives and budgets, the supervision of the operating performance of affiliates, resolutions on major matters proposed by functional committees, and coordination or deliberation of major operation matters among affiliates.

The organizational structure, and rights and responsibilities of IBF Financial Holdings are also clearly divided. Except for the independent Regulatory Compliance Officer and the Chief Auditor, different business divisions are further divided under the President. To ensure the independence and fairness of corporate operations, the Chairman, the Regulatory Compliance Officer, and the Chief Auditor do not concurrently serve any administrative positions. The current rights and responsibilities of each unit are detailed in the 2022 Annual Report of IBF Financial Holdings.



Operation status of the Board of Directors and functional committees of IBF Financial Holdings

Meeting organization	Verified hierarchy	Number of meetings in 2022	Average in-person attendance rate (not including attendance by proxy)
Board of Directors	Board of Directors	12	98.08%
Audit Committee	Board of Directors	5	95.00%
Remuneration Committee	Board of Directors	6	100.00%

1.3.3 Functional Committees

Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in the supervision of accounting, auditing, and financial reporting processes executed by the Company as well as quality and integrity in terms of financial control.

Annual work focus:

- Review financial reports: The Board of Directors of the Company has prepared the 2022 business report, consolidated financial statements, and earnings distribution proposal.
- Evaluate the effectiveness of the internal control system: The Audit Committee evaluates the effectiveness of policies and procedures of the Company's internal control system (including financial operating risk management, regulatory compliance, and other relevant control measures), and reviews the periodic reports of the Company's auditing department, CPAs, and management.
- Deliberate matters approved by the Audit Committee according to Article 14-5 of the Securities and Exchange Act.

Remuneration Committee

The Remuneration Committee is responsible for establishing and regularly reviewing the performance evaluation of directors and managers, as well as remuneration policies, system, standards, and structure, as well as regularly evaluating and establishing remuneration for directors and managers. The suggestions of the Remuneration Committee are submitted to the Board of Directors for discussion.

- To expand the participation of professional talent, IBF Financing Holdings assigned Chen, Shu-Chuan, an independent director, to serve as the convener of the Remuneration Committee. It also appointed Mr. Chen, Wei-Lung and Mr. Hsu, Jia-Dong, two independent directors, as members of the Remuneration Committee so external, independent experts can participate in remuneration decision-making and make the remuneration of directors and managers more reasonable and fairer.
- The Remuneration Committee has already provided professional opinions on the payment of remuneration to directors and managers, and concluded multiple important resolutions since its establishment to improve the company's remuneration and assessment system, and operating performance.

Average remuneration ratios of the President and employees of the Group in 2022

Ratio between the remuneration of the President and the average remuneration of employees (not serving as supervisors) in 2022	Ratio between the remuneration of the President and the median remuneration of employees (not serving as supervisors) in 2022
9.27~13.9 times	12.87~19.31 times
Average amount of remuneration of employees (not serving as supervisors) in 2022	Median of remuneration of employees (not serving as supervisors) in 2022
NT\$ 1,079,000	NT\$ 777,000
Ratio between increasing (decreasing) range of the President and median of increasing (decreasing) range of employees' remuneration	
183.00%	

Note 1: The table above shall be handled according to relevant provisions of "Operating Instructions for Declaration of Remuneration Information of Full-time Employees Not Serving as Supervisors" issued by the Taiwan Stock Exchange Corporation.

Note 2: In 2022, the number of full-time employees of the Company and consolidated individual entities who are determined as full-time employees not serving as supervisors in the local subsidiaries engaged in bills, securities and banking according to Article 4 of "Financial Holding Company Act" reached 1,440, increased by 29 compared with 1,411 in 2021.

1.3.4 Structure of the Board of Directors

➤ Composition and responsibilities of the Board of Directors

IBF Financial Holdings is dedicated to improving the effect of corporate governance. The seats, qualifications, and election method of independent directors are expressly prescribed in the Articles of Association. The Board of Directors comprises 13 directors. To improve corporate governance and increase suggestions on independent and objective operations, there were four independent directors at the end of 2022, accounting for 30.8% of all director seats, superior to the number stipulated in relevant laws and regulations. Directors serve a term of three years, and are appointed in accordance with the Rules for the Election of Directors.

The most important responsibility of the Board of Directors is to supervise the compliance of corporate operations with statutory provisions, the transparency of finance, and equal treatment of various investors. For example, the Board of Directors ensures that shareholders are fully aware of, participate in, and make decisions on major issues of the Company. To properly execute supervisory responsibilities, the Audit Committee and Remuneration Committee have also been established under the Board of Directors. To promote corporate governance work in a more effective way, the Board of Directors has already established relevant corporate governance work and specifications, including the establishment of the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, the Sustainable Development Best Practice Principles, and other internal rules and regulations. The aforesaid regulations have already been disclosed on the website of IBF Financial Holdings.

The responsibilities of the Board of Directors also include strategic guidance. By convening regular board meetings, the Board of Directors may learn about and evaluate the operating performance of the management team, and discuss and offer guidance concerning strategies proposed. Board meetings shall be convened at least once every two months. In 2022, 12 board meeting were held in total, and the average attendance rate of directors (not including attendance by proxy) reached 98.08%, adequately showing directors' close communication with the management team. All the resolutions made by the Board of Directors are posted on the website of IBF Financial Holdings to promote the transparency and timeliness of information disclosure. In addition, in consideration of directors' recusal due to conflicts of interest, IBF Financial Holdings has established definite specifications, including Codes of Ethical Conduct, to prevent conflicts of interest, and the Rules and Procedures of Board Meetings to require directors to explain the important contents of this interest relationship in the current board meeting given that the matters involved in the meeting have an interest relationship with the directors and/or legal person(s) they represent; where there is a risk of harming the Company's interests, such director shall not participate in the discussion and voting, but instead shall excuse themselves. They may also not serve as proxies of other directors to exercise their voting rights.

In consideration of the balance between exercising of rights and performance of obligations by directors and key employees, and for the purpose of effectively lowering the risks borne by directors, key employees, and the Company, Directors' and Officers' Liability Insurance has been purchased for such personnel.

➤ Diversified composition background of the Board of Directors

💡 Director diversity policy

- The Company has established the Corporate Governance Best Practice Principles, in which Article 14 explicitly specifies the director diversity policy of the Company. To establish a sound structure for the Board of Directors of the Company, board members shall be diverse and possess different professional backgrounds, genders, and work fields. In addition, directors shall have the knowledge, skill, and experience necessary to perform their duties.
- The composition of the Board of Directors of the Company has been reviewed by the FSC. To implement the diversity of board members of the Company, directors of the Company shall not be limited by gender and age, but shall be considered based on the professional qualities and competencies. Among the 13 director seats of the seventh term of the Board of Directors, two are female directors, and the average age of the board members is 59 years old. The age distribution of the board members are four directors in the 40~50 age range, three directors in the 51~60 age range, and six directors in the 61~75 age range, among which three directors have doctoral degrees, six have master's degrees, and four have bachelor's/college level degrees. The directors have professional backgrounds in the financial industry, general industries, and academia, and have expertise in financials, finance, commercial, management, or legal fields. In addition, the Company also places emphasis on gender equality in the composition of the Board of Directors and will work toward the goal of having more than one-third of board members of each gender in the future.

Name	Plural core items	Gender	Tenure (years)	Director or independent director	Ability to make operational judgments.	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	International market perspective	Legal background
Wea, Chi-Lin		Male	12.5	Director	○	○	○	○	○	○	
Tsai, Shao Chung		Male	2.5	Director	○	○	○	○	○	○	
Chen, Cheng-Lin		Male	2.5	Director	○	○	○	○	○	○	
Shih, Cheng-Fong		Male	2.5	Director	○	○	○	○	○	○	
Yang, Cheng-Hsi		Male	1.83	Director	○	○	○	○	○	○	
Michael Chen		Male	11.25	Director	○	○	○	○	○	○	
James Y. L. Wei		Male	16.5	Director	○	○	○	○	○	○	○
Hung, Hui-Ching		Female	2.3	Director	○	○	○	○	○	○	
Tsai, Chia-Ping		Male	1.5	Director	○	○	○	○	○	○	
Shih-chen Joseph Jao		Male	2.5	Independent Director	○	○	○	○	○	○	
Chen, Shu Chuan		Female	2.5	Independent Director	○	○	○	○	○	○	
Wu, Ching-Sung		Male	8.5	Independent Director	○	○	○	○	○	○	
Chen, Wei-Lung		Male	2.5	Independent Director	○	○	○	○	○	○	○

➤ Succession planning for board members and management

The Company's Articles of Incorporation provide for a candidate nomination system for the election of directors, and the composition of the Board of Directors is planned in accordance with the structure of the board, the diversity policy, and the ability of the Board of Directors as a whole as stipulated in the Procedure for the Election of Directors and Corporate Governance Best Practice Principles.

In evaluating successor candidates, not only their professional qualifications and experience are considered, but also their familiarity with the corporate culture of the Company, their familiarity with business control, and their understanding of the management of subsidiaries, etc. In line with the Company's development blueprint, professionals from the financial industry, other industries, government, and academia will be recruited, and if they are current directors within the Group, the results of their board performance evaluation will be also referred to when making board arrangements for the whole Group.

To maintain the professional and experience succession of board members, the Company has established a database of directors' talent through the following means to serve as a reference for succession planning of directors:

- Consult with various parties for suitable candidates to serve as directors of the Company.
- Refer to the independent director talent database.
- Appoint existing directors or appropriate outside organizations or consultants to propose suitable directors.
- Refer to the results of the Board of Directors' performance evaluation for the reappointment nomination of directors.

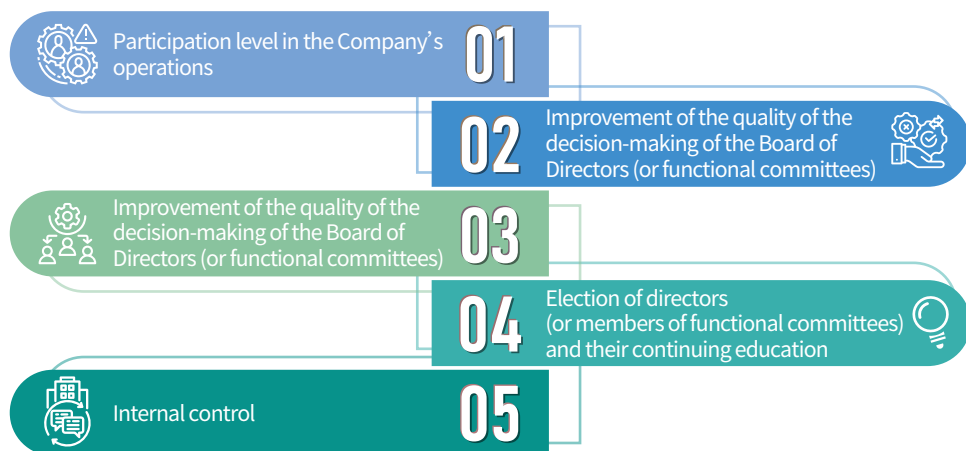
Talent is the most important asset of the Company. The Company has been promoting a function-oriented talent strategy for years, and has developed various professional and management training programs based on this strategy. In recent years, the Company has further integrated world-renowned leadership assessment tools to comprehensively examine the leadership potential and characteristics of management personnel across businesses, functions, and levels to capture the driving factors that motivate individuals to develop. The Company has also set up talent development committees at all levels to take stock of personnel performance and potential, improve discussions, plan customized career development blueprints, and build a complete potential talent pool through on-the-job training, project assignments, or cross-country, cross-business, and cross-function rotations.

➤ Performance evaluation of the Board of Directors

To implement corporate governance and improve the functionality of the Board of Directors of the Company, and establish performance goals to strengthen the operation efficiency of the Board of Directors, the Company established “Board of Directors Performance Evaluation Measures” in 2016 for observation.

The Board of Directors and the functional committees shall execute performance evaluation in accordance with the evaluation procedures and indicators determined in “Board of Directors Performance Evaluation Measures”. The Company shall entrust an external professional independent organization or external expert and scholar team to execute an evaluation at least once every 3 years, and shall submit the results of the performance evaluation of the Board of Directors and the functional committees to the Board of Directors at the end of March next year.

💡 The measurement items adopted for the performance evaluation of the Board of Directors and the functional committees shall include at least the following five aspects:



💡 The measurement items adopted for the performance evaluation of the board members shall include at least the following six aspects:



As for the scoring standards, arithmetic average is adopted for scoring of each measurement item, and the results of performance evaluation are classified into five levels, i.e., excellent, good, favorable, to be improved, and inferior.

The Company appointed the Taiwan Corporate Governance Association to execute external performance evaluations of the Board of Directors and the functional committees from the year 2020 (period concerned: November 1, 2019-October 31, 2022) in November 2022. This organization and executing experts are independent without any business contact with the Company. Questionnaires and on-the-spot visits were conducted to evaluate eight constructs of the Board of Directors and functional committees, including composition, guidance, authorization, supervision, communication, internal control, risk management, self-discipline, and others. This Association issued an evaluation report on the performance evaluation of the Board of Directors on January 4, 2021. This report recognized some of the Company's practices, including recruiting experienced professionals to serve as independent directors, the Chairman convening symposiums before board meetings to improve the efficiency of deliberation, initiatively inviting external independent agencies to assist with valuations to benefit the effective functioning of the Board of Directors, and reporting by each functional committee. With respect to relevant suggestions and estimated measures, the Company has already presented recent reports of the Board of Directors and each functional committee. The suggestions are as follows:

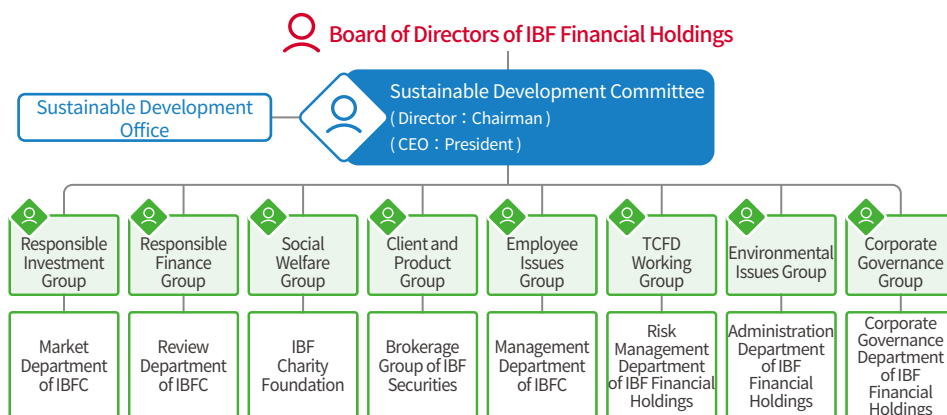
Item	Suggestion	Estimated measures
1	The Chairman is responsible for the final assessment of the performance of your Internal Audit Officer. It is suggested that the performance assessment of your Internal Audit Officer should be performed with reference to the opinions of the Audit Committee to strengthen the independence of internal audit and the supervisory and guiding functions of the Audit Committee in internal audits.	Study and discuss the amendment of the Employee Appraisal Regulations of the Company.
2	It is suggested that your company should draft and deploy a Corporate Governance Action Plan in advance based on the Corporate Governance 3.0 – Sustainable Development Roadmap, and with reference to your staged development strategies and the orientation of the Board of Directors, and submit it to the Board of Directors for discussion, to completely review your intention to improve corporate governance.	The Corporate Governance Department has made an analysis report according to the Corporate Governance 3.0 – Sustainable Development Roadmap, and notified the supervisor of each unit to study and discuss after presenting the report for approval.
3	It is suggested that your Remuneration Committee should periodically review the remuneration policies, system, structure, and standards for directors and managers, include the supervision and guidance of development, training, and succession plans of senior managers to the Remuneration Committee Charter, and periodically review the implementation status.	Suggested matters will be studied, discussed, and executed.

In 2022, the Company adopted an internal self-evaluation method to handle the performance evaluation of the Board of Directors, individual board members, the Audit Committee, and the Remuneration Committee, and all self-evaluation results were “Excellent”, showing the positive comments of directors and members of each functional committee on the operational efficiency and effect of each functional committee, and favorable operation status as a whole. The operational efficiency of the Board of Directors and each functional committee will be continually improved in the future, and the results of the performance evaluation of individual directors will be adopted as reference for the determination of directors' remuneration, and nomination and reappointment of directors in the next session. The results of performance evaluations of the Board of Directors and each functional committee in 2022 were already submitted to the meeting of the Board of Directors the Company on March 13, 2023, and declared to the Market Observation Post System (MOPS) at the end of March as stipulated.

1.3.5 Sustainable Governance Structure

To implement the concept of corporate sustainable management, promote corporate governance, and integrate each subsidiary's corporate sustainable management planning, practice, and proper resource allocation, the Board of Directors of IBF Financial Holdings functions as the highest governance body for climate-related topics, and the Sustainable Development Committee has been established under the Board of Directors to supervise key strategies adopted by IBF Financial Holdings and subsidiaries in the areas of sustainable development and climate risks and opportunities, including the inclusion of climate change risks in risk control policy, increasing the utilization ratio of renewable energy sources, the acquisition of green building labels, execution of greenhouse gas inventory, and promotion of carbon emission reduction objectives, etc. This committee also submits topics related to climate change and implementation status to the Board of Directors every half year.

The Chairman of the IBF Financial Holdings serves as the director of the Sustainable Development Committee and takes responsibility for supervising and guiding the opening of the Sustainable Development Committee, convening meetings, and serving as the chair. Presidents of IBF Financial Holdings and subsidiaries serve as deputy directors of this committee and take responsibility for evaluating, supervising, and managing the overall sustainability and climate topics of the Group, and making relevant decisions. Eight working groups have been set up under the Sustainable Development Committee. The supervisors of relevant units serve as leaders of the working groups and regularly convene meetings of the Sustainable Development Committee and executing groups, as well as report the goals of corporate sustainability, and implementation to the Board of Directors. Two meetings shall be convened annually in principle, and interim meetings may be convened when necessary. In 2022, four meetings were convened in total.



Organization	Chair/Leader	Frequency of meeting	Role in climate topics
Board of Directors	Chairman	Once every two months	Highest governance body for climate change related strategies
Sustainable Development Committee	Chairman	At least two times a year	Subordinated to the Board of Directors, the Sustainable Development Committee is the core unit responsible for promoting sustainable development and climate change actions.
Sustainable Development Office under Sustainable Development Committee	President	At least one work meeting convened in each quarter	- Track the implementation progress of sustainability and climate-related projects, and convene a work meeting at least every quarter. - Contact, coordinate, and integrate relevant matters of each functional group or unit, provide resources as necessary, and guide and assist operation status inspections.

Organization	Chair/ Leader	Frequency of meeting	Role in climate topics
Working Groups of Sustainable Development Committee	supervisors of each unit	Convened irregularly	▸ The Environmental Issues Group: Mainly responsible for managing the environmental impact caused by corporate operations, and promoting the use of renewable energy sources and those in Scope 1 and Scope 2. ▸ The Responsible Finance Group: Responsible for establishing and implementing climate strategies related to the investment and financing of the Group. ▸ The TCFD Working Group: Responsible for identifying and managing climate-related risks and opportunities in each business of the Group and coordinating each subsidiary to promote climate risk related projects.

Sustainability related courses involved in the continuing education of directors of IBF Financial Holdings in 2022	Net Zero Trend – Lecture with Practical Observations in ESG Decision-making of the Board of Directors
Climate related proposals of the Board of Directors in 2022	▸ Preliminarily study and discussion of key ESG topics. ▸ Roadmap to establish the Company's Sustainable Finance Policy and Sustainable Development Roadmap. ▸ Promote the planning of ESG and climate topics (including analytical tools and compliance criteria): Physical review and certification of TCFD progress, ISO 14064-1 Greenhouse Gas Inventory, ISO 14001 Environmental Management System, and ISO 50001 Energy Management System. ▸ "Green Gas Inventory Schedule Planning" of the Company and the Group: Plan greenhouse gas inventory and verification in coordination with the Roadmap for the Sustainable Development of Listed Companies of the FSC. ▸ Deliberate and supervise the establishment and implementation effect of climate related risk management policies of the Group.

➤ Vision for sustainable finance

IBF Financial Holding Group adheres to the management philosophy of "Trust, Efficiency, Innovation" long-term. In addition to creating corporate value and pursuing maximum interests of clients, shareholders, and employees, IBF Financial Holding Group has also profoundly realized the risks and potential impacts resulting from climate change and adopted specific action plans to respond to identified climate risks and opportunities.

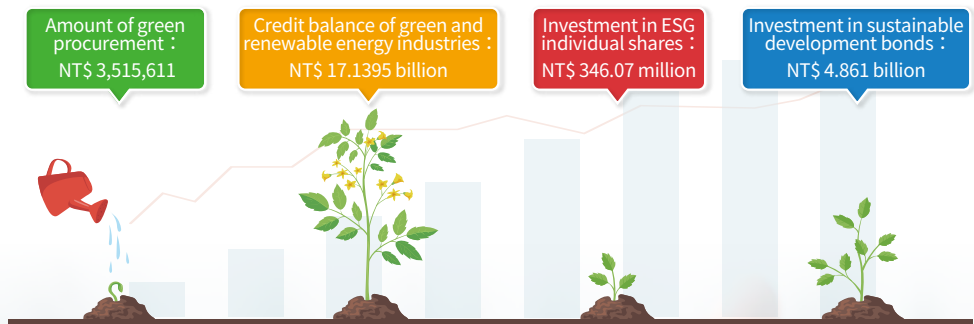
When facing increasing severe climate change risks, IBF Financial Holdings deems it a challenge and an opportunity for financial transition; as the leader in green energy financing industry, IBF Financial Holding Group spares no effort in sustainable development, voluntarily follows the Principles for Responsible Banking (PRB) and the Principles for Responsible Investment (PRI), and includes ESG risk evaluation factors in the investment and financing decision-making, with the objective of enhancing the overall interests of the Company, shareholders, and clients. After introducing the TCFD framework in 2022, IBF Financial Holdings will issue a TCFD report for the first time. The Company is expected to sign the TCFD Initiative and become a supporter in 2023. In addition to checking and identifying risks potentially faced as well as their measures, IBF Financial

Holdings has established internal carbon reduction objectives to implement sustainable practice, and is expected to sign the SBTi at the end of 2023 to commit to assessing investment and financing portfolios in accordance with the methodology recommended by the Partnership for Carbon Accounting Financials (PCAF). We aim to demonstrate through scientific carbon reduction paths the determination of IBF Financial Holding Group to net zero by 2050.



Focusing on two major strategies of “Leading Sustainable Transition” and “Aligning with International Trend”, IBF Financial Holdings complies with the development of sustainable finance, gives play to the influence of the green energy financing market, exerts a positive impact on building a sustainable society of the financial industry through the Group’s core business, supports the industrial development and innovation of the low-carbon economy, continually aligns with international best practices, and is dedicated to practicing the vision of economic and environmental sustainable development.

💡 **Status of sustainable finance in 2022:**



1.3.6 Internal Control and Audit

➤ Internal control system

IBF Financial Holdings continues to promote the culture of three lines of defense for internal control to ensure that continually effective operation of the internal control system designed.



➤ Internal audit system

To ensure an effective internal control system, IBF Financial Holdings has established a Chief Auditor system to comprehensively handle audits. An auditing department subordinated to the Board of Directors also has been set up; key responsibilities include executing the internal audit system, supervising audits of subsidiaries, and reporting the implementation status of audits to the Audit Committee and the Board of Directors periodically.

To assist the Board of Directors and management in checking and evaluating whether the internal control system is effectively operating, the auditing department handles general business verification for the Company at least once every year in accordance with the annual audit plan passed by the Board of Directors. The auditing department also handles project business verification regarding finance, risk management, and regulatory compliance of the Company and subsidiaries at least once every half year; furthermore, the auditing department supervises and guides each unit of the Company and subsidiaries to handle self-verification of the internal control system at least once every year, and offers suggestions for improvement as appropriate to reasonably ensure the continual and effective implementation of the internal control system as the basis for review and improvements. Deficiencies detected via internal and external audits, or those listed in the Declaration of the Internal Control System, shall be improved, tracked, and reassessed, and key areas impacting reward and punishment and performance assessments of each unit listed.

To practice corporate governance, the directors of the Company hold symposiums with the auditing department every year, and review and report deficiencies of the internal control system and internal audits, and submit the minutes to the Board of Directors. To improve the communication mechanism in the second and the third lines of defense, the auditing department convenes joint communication meetings with the compliance and legal, risk management, and corporate governance departments every year, in which the characteristics of high-risk business and weak points in the internal control and regulatory compliance of the Company and subsidiaries are discussed as references to establish the annual audit plan. To establish a favorable communication mechanism between audit units of the parent company and subsidiaries, the auditing department annually convenes symposiums with audit supervisors in the Group to learn about the current working situations and future auditing business planning of auditing units of subsidiaries. Matters concerning the competent authority and important policies regarding financial inspection are also discussed and promoted.

The auditing department provides self-verification personnel with proper education and training every year as part of the self-verification system. To improve awareness of auditors of the Group of the business, the auditing department handles education and training of auditors of the Group, advocates changes to important laws and regulations and annual financial inspections of the competent authorities, and communicates auditing highlights per industry to assist, supervise, and encourage the execution of the Company's audits. The auditing department also convenes cross-department meetings for study and discussion as necessary according to the information provided by external authorities.

The auditing department reviews, supervises, and guides subsidiaries to practically handle relevant auditing matters presented by them according to the Highlights for the Management of Matters Presented by Affiliates of IBF Financial Holdings as well as the implementation status of subsidiaries' audits. To determine the efficiency of subsidiaries' internal audits, the auditing department annually assesses the effect of internal audit work of subsidiaries. The results are reported by the Chief Auditor to the Board of Directors and then submitted to the board of directors of the subsidiaries by letter as the basis for personnel assessment and to ensure complete supervision of the internal audit system of the Group.

💡 The implementation status of the internal audit system in 2022 is as follows:

Implementation plans	Number of individual convening numbers
Symposiums of directors with auditors, education and training of self-verification in the internal control, joint meetings in the second and third lines of defense (Auditing Department, Compliance & Legal Department, Risk Management Department and Corporate Governance Department), education and training of auditors of the Group, symposiums of audit supervisors of the Group, and cross-department meetings regarding common deficiency patterns raised in the inspection concerns in recent period	6
General and project business audits	12
Tracking and recheck of opinions on financial inspection reports	12
Tracking and recheck of opinions on internal audit	12

➤ Whistleblowing mechanism

To establish a whistleblowing mechanism, the Company has established "Procedure for Handling Cases" and set up independent dedicated line, fax, email box, and other relevant whistleblowing channels. The independent Auditing Department is responsible for accepting and investing the reported cases and ensuring the confidentiality of relevant personnel involved in the cases, to complete the Company's appeal communication channels and effectively handle the reported matters. Cases reported will be handled according to relevant provisions on punishment once verified as true. If a major violation occurs, or the Company suffers a risk of major damages, it shall be handled according to the operating procedure for notification.

Whistleblowing system and case handling status in 2022

Handling status	Handling times	
If unidentified people report violations of subsidiaries during execution of business operations through dedicated fax line, and contents they have stated are available for investigation, the Auditing Department may accept investigation according to the provisions of the Measures for Handling of Reported Cases by the Company.	0	In 2022, the Auditing Department didn't experience any whistleblowing incident. The Auditing Department announces precautions regarding the whistleblowing system on the intranet of the Company, and advocates the whistleblowing system to the colleagues when handling education and training.
Tracking and recheck of recommendations in the whistleblowing and investigation reports.	0	
Advocacy of the whistleblowing system as well as education and training	2	
Involvement in corrupt practices	0	

1.4 | Risk Management |

1.4.1 Significance of Risk Management

The effective understanding and education of risks are a key factor for sustainable management in the financial industry. Due to the successive occurrence of financial crises in recent years, risk management has become even more significant. To promote the sound operation of the Company and each subsidiary, and control potential risks within a reasonable, acceptable range, the Company continues to strengthen the risk control mechanism of each subsidiary to reach the optimum balance of risk and reward and maintain a proper capital adequacy ratio.

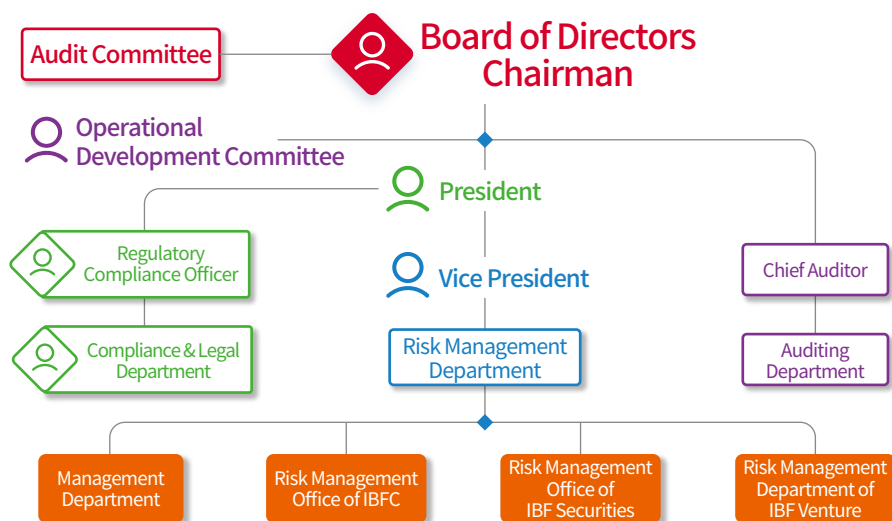
1.4.2 Risk Management Organizational Structure and Policy

➤ Risk management organization and structure of IBF Financial Holdings

The Board of Directors of IBF Financial Holdings verifies and approves the risk management policy of the Group, and the senior management is assigned to execute the policy verified and approved policy and clearly establish procedures that adequately identify, measure, supervise and control various risks.

Risk management related units	Functions
Audit Committee	Be responsible for supervising the effective implementation of the internal control and the control of the existing or potential risks of the Company.
Operational Development Committee	Operational development and capital planning
Compliance & Legal Department	Planning, management and execution of the regulatory compliance system
Risk Management Department	Monitoring of risk exposure of various risks and review of the establishment and execution of the risk management mechanism
Auditing Department	Regular review of each business risk

💡 The organizational structure chart of IBF Financial Holdings is as follows:



💡 The corporate risk management unit in the Group is configured as follows:

Company	Name of risk management unit	Number of dedicated personnel for risk management
IBF Financial Holdings	Risk Management Department	5
IBFC	Risk Management Office	2

Company	Name of risk management unit	Number of dedicated personnel for risk management
IBF Securities	Risk Management Office	7
IBF Venture Capital	Risk Control Management Department	1

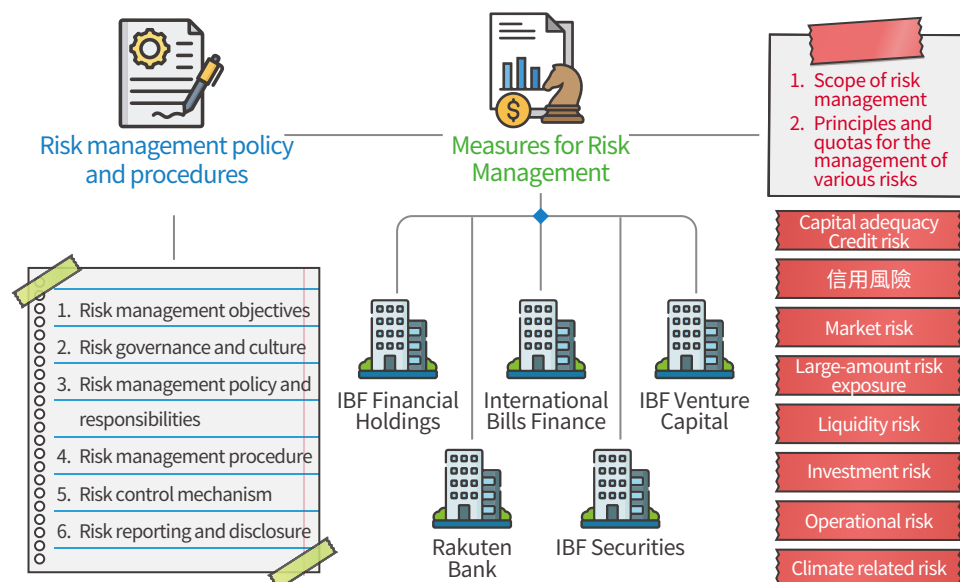
➤ Risk management policy

The risk management policy of IBF Financial Holdings covers targets, scope, and management procedures, etc., and establishes principles and quotas for the management of various risks. IBF Financial Holdings has established guidelines for risk management. By clarifying the provisions on authorization and layered accountability, and establishing risk limits, IBF Financial Holdings and each subsidiary have drafted relevant business risk management procedures and execution criteria to control and manage various risks.

1.4.3 Risk Management Procedures

The Company has established a risk management mechanism according to the statutory and regulatory provisions and the Company's overall business strategies. The risk management policies and procedures of the Company cover management objectives, governance and culture, organizational structure and responsibilities, management procedures, control mechanism, reporting, and disclosures, etc. The risk management objectives of the Company are to identify, measure, and control each business risk, control potential risks within a reasonable range, and maintain proper capital adequacy. The Company has established the Measures for Risk Management, and determined risk management principles and quotas according to different attributes of various risks. Each subsidiary shall, in accordance with the risk management policies and procedures of the Company, establish relevant risk management specifications. Please refer to the risk management mechanism below.

💡 The risk management mechanism of the Group is as follows:



1.4.4 Operation of Risk Management Mechanism

Various risks involved in each business area of the Company and each subsidiary shall be included in the scope of risk management, including, but not limited to, capital adequacy, credit risk, market risk, large-amount risk exposure, transaction risks of stakeholders, liquidity risk, investment risk, operational risk, and climate-related risk, etc. When executing each risk management procedure, the Company and each subsidiary shall not only comply with the relevant provisions of the competent authority, but also handle the work in accordance with the provisions of the Measures for Risk Management of the Company.

💡 The principles for management of various risks are as follows:

(1) Capital adequacy management

To ensure the normal operation of finance and business operations, the Company and each subsidiary shall maintain proper capital adequacy.

(2) Credit risk management

Control the credit risk through management mechanisms like quota management and credit extension deliberation.

(3) Market risk management

Control the market risk through management mechanisms like quota management, investment deliberation and stop loss.

(4) Large-amount risk exposure

Control the large-amount risk exposure through management mechanisms like quota management, credit extension deliberation, and investment deliberation.

(5) Liquidity risk management

The assets or liabilities shall better not be too centralized, and the capital sources shall be diversified.

(6) Investment risk management

Long-term investment evaluation reports shall be countersigned with the opinion of an independent risk management unit or audit unit.

(7) Operational risk management

Establish a rigorous internal control system, and practice internal audit and regulatory compliance systems to reduce the possibility of occurrence of operational risk.

(8) Climate related risk management

Establish relevant management mechanism to lower the impact of climate change on the overall operation.



1.4.5 Response to Climate Change Risks

Due to the influence of global warming, the frequency of extreme climate change has increased in various regions in recent years. With the rising risks of climate abnormalities, climate change has already become a major risk facing corporate operations. The Board of Directors of IBF Financial Holdings functions as the highest governance body for climate-related topics, and the Sustainable Development Committee has been established under the Board of Directors to supervise relevant important strategies adopted by IBF Financial Holdings and subsidiaries for sustainable development and climate risks and opportunities, including the inclusion of climate change risks in the risk control policy, acquisition of green building labels, execution of greenhouse gas inventory, and promotion of carbon emission reduction objectives, etc. This committee also submits topics related to climate change and implementation status to the Board of Directors periodically.

The Company believes that climate-related financial disclosure benefits the stability of the financial market, and therefore it has gradually established a climate governance mechanism based on the TCFD framework. To effectively achieve this goal, the Company amended the Measures for Risk Management in November 2022, and included climate change related risks in corporate strategies to promote sustainable actions. In consideration of various business areas in the Company and subsidiaries, climate risks and opportunities have been identified and evaluated. Climate topics involving aspects of policies and regulations, the market, technology, reputation, physical risks, and transition risks are taken into account in terms of risks; aspects considered for climate opportunities include resource efficiency, products and services, the market, and resilience.

After identifying and evaluating the risk management units of the Company and each subsidiary, climate-related risks will be successively integrated in the traditional financial risk management procedures, and the original risk management procedures and mechanisms will include climate risks. The climate risk management will be implemented in accordance with the system of three lines of defense for internal control to practically master the impact of climate risks on IBF Financial Holding Group. In addition, migration and adaptive actions will be further taken as active response.

1.4.6 Information Risk Management

For the purposes of strengthening information risk management, establishing a safe and trustworthy information system, and ensuring the compliance of data, systems, equipment, and network security to relevant provisions on information security, IBF Financial Holding Group has internally established “Information Security Policy” in response to various cybersecurity threats like DDoS attack, blackmail virus, personal data protection, data leakage, and losses resulting from natural disasters, so as to lower the impact on the corporate operation. Relevant managerial measures are as follows:

- 🔒 Establish a DDoS protection mechanism through cooperation with the telecommunication practitioners.
- 🔒 Properly deal with data transfer, management and destruction.
- 🔒 Establish a backup mechanism for important data, and conduct regular and repeated drills.
- 🔒 Check the personal data regularly, including personal data setup, encryption and protection mechanism.
- 🔒 Establish “IBF Financial Holding Group Cybersecurity Management Response Group” to benefit each subsidiary of the Group to notify cybersecurity incidents and responsive actions.
- 🔒 Carry out website penetration test, email social engineering practice, and network device and server vulnerability scanning and repair work.
- 🔒 Join “F-ISAC (Financial Information Security Sharing and Analysis Center)” to collect cybersecurity technology, share intelligence, and advocate the information security policy of the competent authority, to realize the goal of cybersecurity joint defense.

1.5 | Integrity Culture |

1.5.1 Significance of Integrity Culture

Integrity ethical culture is the foundation of corporate sustainable development. Since the financial industry is an industry that establishes a trust relationship with people, we give top priority to integrity in our operations. Without clients' trust, corporate operations suffer a material negative impact. Therefore, IBF Financial Holding Group places tremendous attendance in a culture of integrity. To shape a corporate culture featuring ethical management and complete corporate development, we have already established the Ethical Corporate Management Best Practice Principles of Financial Holdings with reference to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. In addition, we have designated a corporate governance department subordinated to the president as the unit responsible for promoting corporate ethical management, guaranteeing the implementation of ethical management, and reporting the implementation status to the Board of Directors periodically to generate consensus of integrity from top to bottom. We wish for a culture of integrity to be internalized in each colleague's daily behavior so everyone treats people sincerely and IBF Financial Holding Group becomes recognized as a trusted financial institution.

1.5.2 Practical Operation of Ethical Management

IBF Financial Holdings has always adhered to the concept of good management. Members of the Board of Directors, supervisors, managers, and colleagues employed by the Company are strictly required to abide by the Ethical Corporate Management Best Practice Principles. It is stipulated in these principles that the aforesaid personnel shall not directly or indirectly provide, promise, require, or accept any illegitimate interests or adopt any unethical behavior that violates the obligations of integrity, legality, or fiduciary duty in the execution of business to acquire or maintain interests. Punitive and whistleblowing channels have been established for strict control.

1.5.3 Codes of Ethical Conduct

IBF Financial Holding Group follows the management philosophy of no corruption, transparency, and responsibility, and establishes a favorable corporate governance and risk control mechanism to engage in business activities in a fair and transparent way. To effectively implement ethical management, IBF Financial Holding Group already established relevant internal specifications as follows:

- 📌 Key subsidiaries in the Group have established Codes of Ethical Conduct, including directors and managers, to prohibit bribery, the provision of illegal political donations, improper charitable donations or sponsorships, unreasonable gifts, and other improper interests. Those who violate the rules will be punished based on the severity of the situation and in accordance with the Company's Work Rules for Employees. Each company of the Group has established respective work rules of employees or internal specifications which clearly specify that employees are obliged to keep secrets of the companies completely confidential, and shall not take advantage of their position by accepting gifts. In addition to the handling of relevant corporate business, employees shall not use the company's name arbitrarily. Furthermore, each colleague shall sign a confidentiality agreement.
- 📌 The Board of Directors and management also actively implement ethical operations and practically execute internal management and external business activities. The Board of Directors further performs the duty of care of a good administrator, and supervises and encourages the Company to prevent unethical conduct, reviews the implementation effect at all times, and strives for continual improvement. The Company and relevant directors, managers, employees, and substantial controllers shall comply with the Political Donations Act and relevant internal operating procedures of the Company when providing donations directly or indirectly to political parties or organizations or individuals participating in the political activities, and shall not seek business interests or transaction advantages thereby.
- 📌 Each subsidiary shall adhere to the principles of good faith and integrity during business operations and pursue maximum interests for clients. Behaviors like misleading, fraud, conflicts of interest, or insider trading shall be strictly prohibited. Before business contacts, they shall consider the legality of the agents, suppliers, clients, or other business counterparties, and check whether they have an unethical conduct record. Subsidiaries shall avoid trading with those with such records.

- Establish a whistleblowing system in the Company and confidentiality mechanism, assign appropriate professionals to deal with reported subjects, and take relevant measures for whistleblowers to protect them from unfair treatment due to whistleblowing. Each company under IBF Financial Holding Group has internally established Procedures for Handling Cases to ensure effective whistleblowing channels and handling procedures, safeguard whistleblowers' rights and interests, and avoid the influence of malicious whistleblowing on the company's morale and unity.
- Strengthening of information disclosure: The Company has already established a Chinese website along with the English version (<http://www.ibf.com.tw>) where relevant information on finance and business operations is provided. The Company has also legally declared information on its finance and business operations and the operation status of corporate governance on the MOPS for information disclosure and transparency, and takes leads the industry in making regular disclosures of all donations on its website to avoid improper transfer of interests.

1.5.4 Supplier Management Guidelines

To ensure that our suppliers follow and fulfill our commitment to corporate social responsibility, in addition to establishing the Corporate Social Responsibility Best Practice Principles, the Company has established Supplier Management Guidelines, which stipulate that the Company shall consider the ethical standards of suppliers when selecting suppliers, including, but not limited to, ethical operations, fair trade, open information, avoidance of improper earnings and false advertising, and compliance with intellectual property rights related regulations. The Company has gradually enforced integrity clauses in its contracts with suppliers since 2019 to ensure ethical transactions and to protect the mutual interests of both parties.

In addition to promoting the business, the Company also has Sustainability Procurement Principles, which are based on the government's Regulations for Priority Procurement of Eco-Products and the principles of green procurement as a practical action for selecting products and suppliers for the Company to fulfill its corporate social responsibility.

1.5.5 Actions and Effect of Promoting Integrity Culture

IBF Financial Holding Group and subsidiaries select employees to participate in external trading training programs for commercial bribery prevention, malpractice case studies, insider trading prevention, and company fraud analysis, etc. In addition, the ethical policy and prevention of unethical conduct of the Company are promoted and taught in Company courses on internal regulatory compliance, internal control, and other areas.

The Company and its subsidiaries arrange education and training courses for directors, supervisors, and employees to strengthen awareness of all members of the Group of regulatory compliance. In addition to seven internal and external training programs attended by directors, supervisors, and internal officers of IBF Financial Holdings in 2022, each subsidiary independently provided training on internal regulatory compliance, covering the Personal Data Protection Act, the Money Laundering Control Act, the Labor Standards Act, the Financial Consumer Protection Act (including education and training on the Principle of Treating Clients Fairly), and the Sexual Harassment Prevention Act to strengthen colleagues' regulatory compliance and avoid violations of laws and regulations due to lack of legal knowledge.

 The continuing education of directors, supervisors and internal officers of IBF Financial Holdings in 2022 is as follows:



1.6 | Regulatory Compliance, Anti-money Laundering (AML), and Counter-Financing of Terrorism (CFT) |

1.6.1 Significance of Regulatory Compliance, Anti-money Laundering, and Counter-Financing of Terrorism

The financial industry is highly supervised by the competent authority. IBF Financial Holdings pays close attention to changes to the local and foreign finance and regulatory environment, continues to strengthen regulatory compliance management, deepen colleagues' awareness of regulatory compliance, strictly ensuring the conformity of each business area to statutory requirements, and implementing regulatory compliance management based on risks to comply with financial practitioners guidelines of Huang, Tien-Mu, chairperson of the FSC; fiscal deficit can be improved, but a lack of trust is difficult to make up. Particularly for the financial industry, the trust of the general public is the foundation of sustainable management and development.

Good regulatory compliance is an important foundation for an enterprise to acquire trust from stakeholders. To sustain effective and appropriate operation of the internal control system, promote sound corporate operations, safeguard investments, and maintain financial order, the Company has established the Legal Compliance System Regulations in accordance with the Implementation Rules of Internal Audits and the Internal Control System of Financial Holding Companies and Banking Industries, and set up the compliance and legal department to take charge of planning, management, execution, and assessment of regulatory compliance system work. The Chief Compliance Officer, appointed by the Board of Directors, is assigned to comprehensively handle relevant business of the Group and ensure the effective operation of the regulatory compliance system.

The Company regularly reviews relevant work to amend work control based on actual circumstances, supervises and encourages each subsidiary and affiliates to focus on client reviews, intensive reviews of high-risk clients, the query system of blacklist databases, representation of suspected money laundering and financing of terrorism, and notification work, regularly evaluating each risk factor and adjusting parameters as appropriate, testing the effectiveness of anti-money laundering work. The implementation status of anti-money laundering and counter-financing of terrorism has also been included in the annual audit plan as a review highlight to promote the implementation of three lines of defense of internal control.

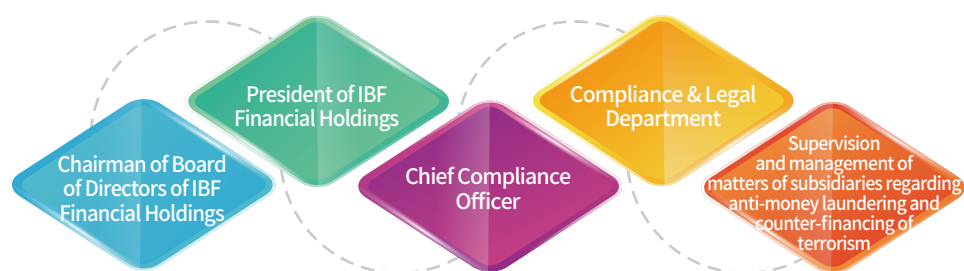
1.6.2 Policies and Responsible Unit for Regulatory Compliance, Anti-money Laundering, and Counter-Financing of Terrorism

In accordance with the provisions of Article 8 of the Implementation Rules of Internal Audits and the Internal Control System of Financial Holding Companies and Banking Industries, IBF Financial Holdings and the banking industry shall establish an overall AML/CFT Program in the Group, including an in-Group information sharing policy and procedures for the purposes of anti-money laundering and counter-financing of terrorism.

IBF Financial Holdings has assigned the compliance and legal department to establish relevant plans, policies, and procedures. The compliance and legal department appointed three responsible persons, the Chief Compliance Officer and two dedicated regulatory compliance personnel, in 2022. Except IBF Venture Capital, which is not a financial institution as stipulated in the Money Laundering Control Act or designated non-financial institutions, all other subsidiaries and affiliates have established dedicated supervisors and several dedicated personnel responsible for anti-money laundering and counter-financing of terrorism. Each dedicated supervisor shall report the implementation status to the Board of Directors every half year in accordance with Article 7-3 of the Regulations Governing Internal Audits and the Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Businesses and Other Financial Institutions Designated by the Financial Supervisory Commission, and Article 5-3 of the Regulations Governing Internal Audits and the Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Securities and Futures Businesses and Other Financial Institutions Designated by the Financial Supervisory Commission.

The Company has established the Regulations for the Legal Compliance System in accordance with the Implementation Rules of Internal Audits and the Internal Control System of Financial Holding Companies and Banking Industries. Evaluation contents and procedures of regulatory compliance required of the compliance and legal department of the Company have been clearly prescribed in these regulations, and each unit is supervised and encouraged to evaluate the implementation status on a regular basis. The effect of the self-evaluation of each unit of regulatory compliance is assessed, signed, and reported to the president as reference for unit evaluations. The compliance and legal department of the Company executes regulatory compliance self-evaluations once every half year, and supervises and encourages each unit to update their self-evaluation forms according to the latest rules and regulations in addition to the required execution of inspections of internal rules and regulations to confirm that such rules have been amended according to changes to external laws and regulations. This way, it can be assured that each unit follows the latest regulatory requirements during the execution of relevant business.

💡 Organizational structure of anti-money laundering and counter-financing of terrorism:



1.6.3 Actions and Effect of Promotion of Regulatory Compliance, Anti-Money Laundering, and Counter-Financing of Terrorism

In response to the global trends of anti-money laundering, counter-financing of terrorism and anti-proliferation of weapons as well as the local and foreign supervisory requirements, the Group has established “Anti-money Laundering and Counter-financing of Terrorism Program” for observation with reference to international standards and local regulations including “40 Recommendations of the Financial Action Task Force (FATF)” and the Reference Practices of the Bankers Association for the purpose of strengthening the management synergies; in order to achieve the management synergies and strengthen each AML/CFT management mechanism and implementation effect, the Company has expressly determined the information sharing at the level of the Group as well as consistency evaluation methodology and principles governing the risks of money laundering and financing of terrorism, regularly included information including results of National Risk Assessment (NRA) into the scope of risk evaluation of money laundering and financing of terrorism so that each subsidiary can effectively identify and evaluate each risk and take appropriate control measures.

The Group is dedicated to shaping the awareness of regulatory compliance regarding AML/CFT and core culture values in the Group and each subsidiary in the hope that all the colleagues understand their responsibilities for AML/CFT; through complete education and training, the Group aims to foster colleagues’ profession to execute this responsibility, continually improve personnels’ risk awareness, implement a KYE (Know Your Employee) system, and establish an appropriate mechanism to learn about employees’ character and professional knowledge. At the same time, the Group carries out the internal control work in the first line of defense, practices the supervision and guidance mechanism in the second line of defense, and implements independent supervision in the third line of defense, so as to build complete protection that features “Three Lines of Defense for AML/CFT”. Furthermore, the Group establishes its risk methodology consistency for AML and deepens personnel’s understanding to improve their risk awareness, implement the work in the three lines of defense, and strengthen the its management efficiency.

💡 Amendments to important regulations governing regulatory compliance, anti-money laundering and counter-financing of terrorism in 2022 as well as responsive measures are as follows:

Name of company	Important regulations	Responsive measure
IBF Financial Holdings	▶ Add time of notification when personal data is leaked and matters to notify of in coordination with the amendment of the Financial Supervisory Commission (FSC) to the Regulations Governing Security Maintenance of Personal Data Files of Non-public Institutions Designated by the Financial Supervisory Commission on December 14, 2021.	▶ Add time of notification when personal data is leaked and matters to notify of in the Regulations Governing Security Maintenance of Personal Data Files.
	▶ Taiwan Stock Exchange Corporation established the Risk Management Best Practice Principles for TWSE/TPEX Listed Companies.	▶ Establish the Policy and Procedures for Risk Management and amend the Risk Management Measures.
	▶ The FSC amended the Regulations Governing the Procedure for Board of Directors' Meetings of Public Companies.	▶ Amend the Rules and Procedures of Board Meetings of the Company.
	▶ The Bankers Association amended the Corporate Governance Best Practice Principles of IBF Financial Holdings.	▶ Amend the Corporate Governance Best Practice Principles of the Company.
International Bills Finance	▶ The Anti-Money Laundering Office, Executive Yuan, published the 2021 National ML/TF/PF Risk Assessment Report in which new types of highly threatening crimes, including underground exchange, intellectual property crimes, and illegal gambling (including online gaming), have been added.	▶ Amend the Company's Client Industries and Vocational Risks Table in the reference scope of business units that shall be directly viewed as high-risk practitioners in the self-evaluation.
	▶ Coordinate the policy and procedures of the parent company of IBF Financial Holdings regarding information sharing of overall anti-money laundering and counter-financing of terrorism of the Group established in Article 8-10 of the Implementation Rules of Internal Audits and the Internal Control System of Financial Holding Companies and Banking Industries.	▶ Amend the AML/CFT Program of the Company.
	▶ Coordinate relevant policies of the FSC indicated in Letter Chin-Kuan-Yin-Fa-Tzu No. 11002739741 of December 27, 2021 regarding the matter that the financial institutions should accept virtual currency platform and transaction business enterprises as clients.	▶ Amend the Highlights for the Evaluation and Prevention of Risk of Money Laundering and Financing of Terrorism and Identity Information Table of Bond and Bill Transaction Clients of the Company.
	▶ The FSC amended the Regulations of the Financial Supervisory Commission Governing Security Maintenance of Personal Data Files of Designated Non-public Institutions.	▶ Amend the Regulations Governing Security Maintenance of Personal Data Files of the Company.
	▶ The FSC established the Provisions on Quota Control on the Issuance of Commercial Paper and Handling of Guarantee Business by Bill Finance Companies for the Real Estate Industry.	▶ Amend the Credit Risk Management Measures of the Company.
	▶ The FSC amended the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.	▶ Amend the Procedures for the Acquisition and Disposal of Assets of the Company.

Name of company	Important regulations	Responsive measure
International Bills Finance	▶ The central bank amended the Provisions on the Central Bank's Handling of Real Estate Mortgage Loan Businesses for Financial Institutions.	▶ Amend the Criteria for Real Estate Valuations of the Company and establish Precautions for Handling of Real Estate Guarantee Credit at Current Stages.
	▶ The FSC released clarifications for Article 45 of the Financial Holding Company Act.	▶ Amend the Regulations Governing Transaction Management of the Company and Stakeholders and the Regulations Governing Transactions between the Company and Concerned Persons Defined in the Financial Holding Company Act, Other Than Credit Extensions.
	▶ The FSC amended the Principle for Financial Service Industries to Treat Clients Fairly.	▶ Amend the Policy for the Principle of Treating Clients Fairly, the Strategy for the Principle of Treating Clients Fairly, and the Highlights for the Implementation of the Principle of Treating Clients Fairly of the Company.
	▶ The FSC amended the Regulations Governing the Procedure for Board of Directors' Meetings of Public Companies.	▶ Amend the Rules and Procedures of Board Meetings and Corporate Governance Best Practice Principles of the Company.
	▶ The FSC amended the Regulations Governing the Scope, Reporting Procedures, and Other Compliance Matters of Material Contingencies to be Reported by Financial Institutions.	▶ Amend the Handling Guidelines for Material Contingencies and Highlights for the Notification of Material Contingencies of the Company.
IBF Securities	▶ The FSC released Transition Strategies of Sustainable Development for the Securities and Futures Sectors.	▶ Establish a Sustainable Development Policy, Sustainable Development Best Practice Principles, and Sustainable Development Roadmap.
	▶ Provisions of Article 2 and Article 6 of the Regulations of the Financial Supervisory Commission Governing Security Maintenance of Personal Data Files of Designated Non-public Institutions were amended.	▶ Coordinate to amend the Plan for Security Maintenance of Personal Data Files and Regulations Governing Data Processing.
	▶ The FSC amended the Principles for Financial Service Industries to Treat Clients Fairly.	▶ Coordinate to amend the Policy for the Principle of Treating Clients Fairly and Strategy for the Principle of Treating Clients Fairly.
	▶ Some provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies were amended.	▶ Coordinate to amend the Procedures for the Acquisition or Disposal of Assets.
	▶ The Ministry of Labor amended the provisions of Articles 15, 19, and 40 of the Act of Gender Equality in Employment.	▶ Coordinate to amend the Highlights for the Management of Employees' Attendance, Leave, and Leave without Pay.
	▶ Some provisions of the Regulations Governing the Lending of Non-Restricted Purpose Loans by Securities Firms were amended.	▶ Coordinate to amend "Regulations Governing the Lending of Non-Restricted Purpose Loans".
	▶ Guide to Data Sharing between Financial Institutions and a Q&A.	▶ Establish Regulations Governing the Handling of Data Sharing with Each Financial Institution, and coordinate to amend the Highlights for Information Sharing of the Group in Anti-money Laundering and Counter-financing of Terrorism.

Name of company	Important regulations	Responsive measure
IBF Securities	▶ The FSC amended the clarifications for Article 45 of the Financial Holding Company Act.	▶ Coordinate to amend the Regulations Governing Transaction Management of the Company and Stakeholders, the Regulations Governing the Management of Brokerage Businesses, the Regulations Governing the Lending of Non-Restricted Purpose Loans, the Regulations Governing the Lending of Loans in Securities Businesses, the Regulations Governing Self-operated Investments, the Regulations Governing the Sidelineing of Self-operated Futures Businesses, the Regulations Governing the Management of Bond Operations, the Regulations Governing Asset Exchange Transactions of Converted (Exchanged) Corporate Bonds, the Regulations Governing Self-operated Transactions of Converted (Exchanged) Corporate Bonds, the Regulations Governing the Issuance of Stock Warrants under Subscription (Sale), the Regulations Governing the Issuance of Structured Products, the Regulations Governing the Management of Underwriting Businesses, and the Regulations Governing the Internal Stock Trading of Emerging Stock Market, etc.
	▶ Provisions stipulated in Article 15-2 of the Securities and Exchange Act were amended.	▶ Coordinate to amend the Regulations Governing Self-operated Transactions of Converted (Exchanged) Corporate Bonds.
	▶ Appendix of "Patterns of Suspected Money Laundering, Financing of Terrorism or Proliferation of Weapons by Futures Dealers and Leverage Dealers" to "Precautions for Anti-money Laundering and Counter-financing of Terrorism of Futures Dealers and Leverage Dealers".	▶ Coordinate to amend Precautions for Anti-money Laundering and Counter-financing of Terrorism in the Futures Introducing Broker Businesses.
	▶ Code of Self-discipline of Securities Firm in Providing Financial Services for Elderly Clients.	▶ Establish Regulations Governing Self-discipline in Providing Financial Services for Elderly Clients.
	▶ Regulations Governing the Procedure for Board of Directors' Meetings of Public Companies	▶ Coordinate to amend the Rules and Procedures of Board Meetings.
IBF Futures	▶ Q&A of the Guide to Data Sharing between Financial Institutions and a summary table of statutory and regulatory provisions available for data sharing.	▶ Establish the Regulations Governing the Handling of Data Sharing with Each Financial Institution for observation.
	▶ Amend the Appendix of "Patterns of Suspected Money Laundering, Financing of Terrorism or Proliferation of Weapons by Futures Dealers and Leverage Dealers" to "Precautions for Anti-money Laundering and Counter-financing of Terrorism of Futures Dealers and Leverage Dealers".	▶ Add the following transaction pattern in the appendix to the "Precautions for Anti-money Laundering and Counter-financing of Terrorism (including the appendix)": "The accumulated loss of a client reaches a certain degree within a certain period, and it is obviously inequivalent to its verified transaction limit, and the client cannot explain the source of the capital".

Name of company	Important regulations	Responsive measure
IBF Futures	▶ Establish Criteria for Evaluations of the Suitability of Financial Products or Services Provided for Elderly Clients in the Futures Service Industry, coordinate to amend the Internal Control System Standards in the futures service industry, and strengthen the mechanism for caring about clients aged above 65 as solicited in the futures service industry.	▶ Add the content of a care mechanism for elderly clients aged above 65 as solicited to the Highlights for Services in Futures Consulting and Highlights for the Review of Futures Consulting Products.
	▶ Amend the Self-discipline Rules for the Management of Credit Investigations for Account Opening at Futures Firms and the Provision of Financial Services for Elderly Clients (renamed), and add the below contents: Legal persons complying with certain qualifications are not required to fill out the "Table of Recognition of Knowledge on Futures Transactions"; futures firms are required to provide a care mechanism for elderly clients aged above 65.	▶ (1) Add the contents below to the Highlights for the Evaluation of Credit Investigation of Transaction Parties upon Account Opening: Legal persons complying with certain qualifications are not required to fill out "Table of Recognition of Knowledge on Futures Transactions". ▶ (2) Add the content of a care mechanism for the elderly clients aged above 65 to the Highlights for Differentiated Management of Futures Dealers.
	▶ Add the Principles of Friendly Service and Principles of Implementing Integrity Management to the Principles for Financial Service Industries to Treat Clients Fairly, and correct the statement from "led and promoted by senior supervisors" to "supervised and guided by the Executive Vice President in person".	▶ (1) Add the Principles of Friendly Service and Principles of Implementing Integrity Management, and correct senior supervisors to supervisors at the level of Executive Vice President or above to supervise and guide the work in person. ▶ (2) Establish Rules of Organization for the Committee Promoting Treating Clients Fairly to supervise and guide the implementation of the Principles of Treating Clients Fairly.
	▶ Highlights for Futures Firms Sending Transaction Reports, Check Sheets, and Cancellation of Accounts and the Internal Control System Standards of Futures Firms regarding cancellation of inactive accounts.	▶ Add the following contents to the Highlights for Account Opening Affairs: Account management of nonactive accounts intended to terminate contracts and cancel accounts.
	▶ The Chinese National Futures Association amended the Code of Self-discipline for Cybersecurity of Emerging Technology.	▶ Amend the Highlights for Security Control of Cloud Computing Service Operations and Highlights for the Management of the Cybersecurity of Emerging Technology.
	▶ The FSC released Transition Strategies of Sustainable Development for the Securities and Futures Sectors.	▶ Establish the Sustainable Development Policy, the Sustainable Development Best Practice Principles, and the Sustainable Development Roadmap.
IBF Securities Investment Consulting	▶ During the handling data sharing among financial institutions in the securities and futures sectors, an internal control standard shall be established and passed by the Board of Directors.	▶ Add the following contents to the AML/CFT Program: An information sharing procedure of the Group shall be established, and relevant management department shall be authorized to establish relevant highlights for this program.

Name of company	Important regulations	Responsive measure
IBF Securities Investment Consulting	It is expressly stipulated in the Guide to Data Sharing between Financial Institutions that "an internal standard procedure shall be clearly established to accept clients' appeals and handle disputes in data sharing work".	Add the procedures for accepting clients' appeals and handling disputes to the Highlights for Information Sharing of the Group in Anti-money Laundering and Counter-financing of Terrorism.
	The Ministry of Labor corrected the Act of Gender Equality in Employment, the Enforcement Rules for the Act of Gender Equality in Employment, and the Regulations for Implementing Unpaid Parental Leave for Raising Children.	Amend the Work Rules of Employees of the Company.
	The FSC amended the Regulations of the Financial Supervisory Commission Governing the Security Maintenance of Personal Data Files of Designated Non-public Institutions.	Amend the Plan for Security Maintenance of Personal Data Files and Regulations Governing Data Processing of the Company.
	The FSC amended the Principles for Financial Service Industries to Treat Clients Fairly.	Amend the Policy for the Principles of Treating Clients Fairly and Strategy for the Principles of Treating Clients Fairly of the Company.
	The SITCA amended the Code of Conduct for the Engagement of Members and Sales Institutions in Advertising and Operating Activities.	Amend the Highlights for Management of Engagement in Advertising and Operating Activities.
	The FSC amended the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.	Amend the Procedures for the Acquisition or Disposal of Assets of the Company.
	The FSC amended the clarifications of Article 45 of the Financial Holding Company Act.	Amend the Regulations Governing Transaction Management of the Company and Stakeholders of the Company.
	The SITCA amended the Code of Self-discipline for the Cybersecurity of Emerging Technology in Securities Investment Trust and Securities Investment Consulting.	Add the Highlights for the Management of the Cybersecurity of Emerging Technology, Highlights for the Management of Office Information Work, and Highlights for the Management of Portable Storage Devices.
IBF Venture Capital	The FSC amended the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.	Amend the Procedures for the Acquisition or Disposal of Assets of the Company.
	The FSC amended the clarifications of Article 45 of the Financial Holding Company Act.	Amend the Regulations Governing Transaction Management of the Company and Stakeholders of the Company.
	The FSC amended the Regulations Governing the Procedure for Board of Directors' Meetings of Public Companies.	Amend the Rules and Procedures of Board Meetings of the Company.

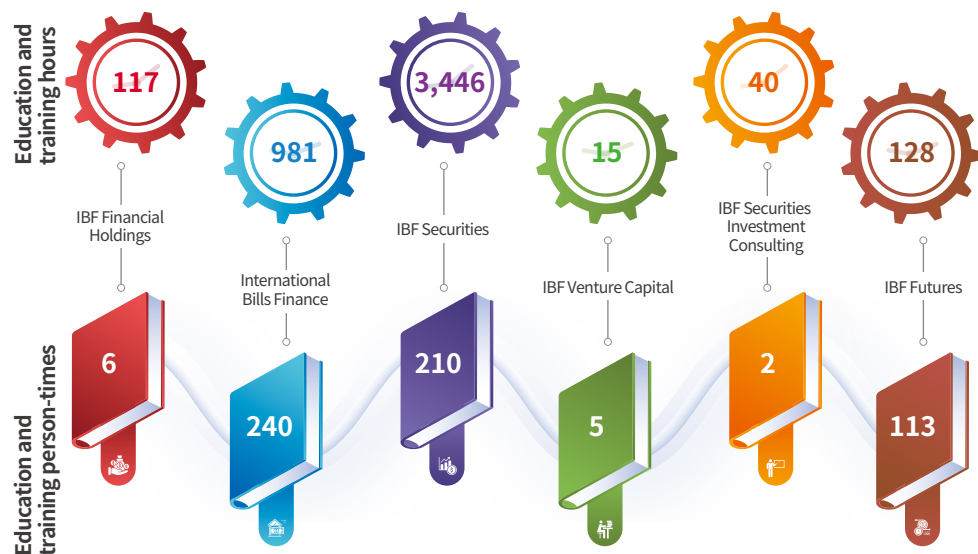
💡 Education and training of regulatory compliance in 2022:

The dedicated supervisors of IBF Financial Holding Group and the supervisors and dedicated personnel of each business unit participated in training courses organized by internal and external institutions in 2022. The total duration of training courses reached approximately 25,534.1 hours.

Unit: Hour

Name of company	Management position		Non-management position	
	Male	Female	Male	Female
	Hours	Hours	Hours	Hours
IBF Financial Holdings	28.0	34.0	120.0	98.0
International Bills Finance	479.6	68.8	621.3	447.4
IBF Securities	642.0	376.5	7,507.5	14,699.0
IBF Venture Capital (including audit training)	0.0	0.0	0.0	0.0
IBF Securities Investment Consulting	3.0	3.0	177.0	67.0
IBF Futures	21.0	12.0	57.0	72.0
Total	1,173.6	494.3	8,482.8	15,383.4

💡 AML/CFT education and training in 2022:



AML training courses of the Group

Name of company	Course	Time of training
IBF Financial Holdings	Education and training of AML/CFT in 2022	November 4, 2022
International Bills Finance	“In-service Workshop on AML/CFT” in 2022-Amendment to Laws and Regulations on AML/CFT and Development Trends and Cases of New Criminal Money Laundering	October 27, 2022
IBF Securities	Education and training of regulatory compliance of the first half of 2022	Apr. 18, 2022-Apr. 22, 2022
	Education and training of regulatory compliance of the second half of 2022	Aug. 22, 2022-Aug. 26, 2022
	Test of regulatory compliance in 2022	Nov. 21, 2022-Nov. 22, 2022
IBF Futures	Education and training of regulatory compliance (including AML/CFT) in the first quarter of 2022	Mar. 7, 2022
	Education and training of regulatory compliance (including AML/CFT) in the third quarter of 2022	Sep. 5, 2022
IBF Securities Investment Consulting	Education and training of “AML” in 2022	Apr. 18, 2022-Apr. 22, 2022

1.6.4 Regulatory Violations in 2022

IBF Financial Holdings aims to implement supervision of the subsidiaries and strengthen the internal control and internal audit system. Penalties received by each subsidiary from the competent authorities due to business deficiencies or violations of laws and regulations at levels above penalty, correction, or warning (inclusive) shall be notified to IBF Financial Holdings within the stipulated time limit; the reasons for occurrence shall also be reviewed, and improvement measures shall propose. The internal audit unit has also handled tracking of deficiencies determined by the competent authorities until they are improved. In 2022, no major legal violation that involved environmental protection regulations, regulations on the information and labeling of products and services, and regulations related to marketing (including advertising, promotion and sponsorship) occurred in the Company.

The auditing department reports the integrity of the auditing business to the Auditing Committee and the Board of Directors once every half year. Each subsidiary is required to report their major deficiencies and improvements periodically to the auditing department. Major deficiencies refer to notifications of material contingencies, replies to reports of improvements of deficiencies in financial inspection reports, penalties imposed by the competent authority above NT\$ 2 million, and incidents included in disclosures of the Declaration of Internal Control System. Each subsidiary explained such violations and improvement measures in 2022.

In addition, as for legal violations, the subsidiaries presented to IBF Financial Holdings after receiving relevant documents. In accordance with the provisions of warnings (inclusive) received from the competent authority, or a penalty above NT\$ 240,000, and the improvements of information security deficiencies found by the competent authority in the inspection, the following penalties and improvement measures should be disclosed in the table attached to the Declaration of the Internal Control System.

 Punishments imposed by the competent authority and description of improving measures in 2022:

Name of company	Case No.	Cause	Improvement
IBF Financial Holdings	Not punished by the competent authority		
International Bills Finance	Not punished by the competent authority		
IBF Securities	On April 6, 2022, according to the letter Tai-Cheng-Fu-Tzu No. 1110500866, the company was required to make an improvement and pay NT\$ 430,000 as liquidated damages.	The Taiwan Stock Exchange verified the cybersecurity incident notification sheets of the Company dated December 28, 2021 on December 29, 2021, and found the following deficiencies: - Multi-factor authentication was not applied to the online order login. - Information security event notification was delayed. - The Company failed to make immediate rectification and no enhanced protection measures were in place to address inadequate protection of the certification application and verification method for updates. - The Company failed to review the internal control system at any time and implement it. The above issues violate Letter Tai-Cheng-Fu-Tzu No. 1100500068 dated January 8, 2021, Letter Tai-Cheng-Fu-Tzu No. 1100503618 dated November 30, 2021 issued by the TWSE, the rules of Paragraph 2, Article 18 of the Operating Rules of the TWSE and the internal control system of securities firms. Letter Tai-Cheng-Fu-Tzu No. 1110500866 dated April 6, 2022 was issued for the Company to make improvements, and a default penalty of NT\$430,000 was imposed.	- On March 31, 2022, the Company provided an online order placement service and fully adopted multi-factor authentication mechanism in the online order login. - On February 17, 2022, the Company strengthened the client application authentication mechanism (OTP authentication) to prevent non-personal access to authentication. The Company monitors and analyzes abnormal login cases such as account login failure records and non-client account login attempts of its online order system currently provided to clients on a daily basis. - On April 14, 2022, the IT Department conducted internal control and law promotion via email and an online meeting of the "ISMS Project" on April 19, 2022, and strictly instructed employees to implement internal control in compliance with laws and regulations when conducting business. The Company emphasized that information security personnel are required to comply with the Notes on Information Security Incident Reporting and Response in Securities and Futures Markets when an information security or service abnormality occurs, and report the incident to the notification system within 30 minutes as an initial notification.
	On June 7, 2022, according to the letter Tai-Cheng-Fu-Tzu No. 1110501547, the company was required to make an improvement and pay NT\$ 100,000 as liquidated damages.	On April 11 to 12, 2022, the TWSE conducted an inspection of the Beitou Branch and found the following deficiencies: - The Branch failed to verify the reason and reasonableness of the client's order from the same IP, and retain records. - The manager borrowed money from clients, which violated the rules of Paragraph 2, Article 18 of the Operating Rules of the TWSE and Subparagraph 9, Paragraph 2, Article 18 of the Regulations Governing Responsible Persons and Associated Persons of Securities Firms.	- The Company produces the same IP information for multiple transactions totaling more than NT\$2.5 million or for a single transaction totaling more than NT\$500,000 made online on a daily basis, and completes verification and records by the end of the following month, except for those who have records on file to be confirmed with a refined method to identify the same IP from a different device. - In the morning meeting on June 21, 2022 and the manager's meeting on July 6, 2022, we reiterated to strengthen the education and training on legal compliance for employees and supervisors to avoid recurrence of this incident. - The auditors of the Beitou Branch added the deficiency to the audit list for 10 consecutive business days and found no similar deficiencies. The incident was included in an audit report for review. - The audit office has strengthened counseling and auditing on the deficiency. Improvements were implemented post-audit.

Name of company	Case No.	Cause	Improvement
IBF Securities	On June 29, 2022, according to the letter Chin-Kuan-Cheng-Chuan-Tzu No. 11003776501 regarding verified correction and the letter the written judgment Chin-Kuan-Cheng-Chuan-Tzu No. 1100377650, a penalty of NT\$ 480,000 was imposed, and the amount of the operational risk equivalent of the Company's capital adequacy ratio should be increased by 0.5 times.	From August 16 to September 11, 2021, the FSC conducted an inspection of the Company's information operation project and found the following deficiencies: ▸ The password principal security parameters set by the operating system host did not specify the minimum length, password complexity, and maximum usage period. ▸ When conducting vulnerability scanning and penetration testing, it was found that the Company did not evaluate relevant risks or install patches for the vulnerabilities identified at medium and low risk levels. The scope of vulnerability scanning was also insufficient. ▸ When conducting security management operation of the IoT equipment, it was found that the Company did not update the default passwords, and did not close unnecessary network connections and services. Compensatory control mechanisms were also not established for IoT equipment that did not have security update mechanisms. ▸ The Company did not establish a review mechanism for the necessity and reasonableness of the authority required for the mobile application. ▸ When activating the application, the mobile device was suspected of being cracked without alerting the user to the risk.	Relevant deficiencies have already been improved. On August 2, 2022, the Company submitted the relevant information to the TWSE for review. On August 11, the TWSE replied that the Company had completed improvements and the original operational risk charge ratio could be restored from the following month.
IBF Futures	Not punished by the competent authority		
IBF Securities Investment Consulting	Not punished by the competent authority		
IBF Venture Capital	Not punished by the competent authority		



Chapter 2 Financial Service

2.1 | Information Security

2.4 | Digital FinTech

2.2 | Personal Data and Privacy Protection

2.5 | Sustainable Finance

2.3 | Service Quality and Client Satisfaction

United Nations Sustainable Development Goals (SDGs)	Sustainable Performance in 2022
 	✦ IBF Financial Holdings won the Gold Award for Sustainable Theme Investment in the Individual Case Influence category in the 2nd Taiwan Sustainable Investment Awards. ✦ International Bills Finance won the Excellent Financial Service Award in the 9th Excellent Solar Photovoltaic Systems – Top Solar Awards. ✦ By the end of 2022, the credit balance of the green and renewable energy industries of International Bills Finance reached NT\$ 17.139 billion. ✦ By the end of 2022, the accumulated amount of sustainable development bonds invested by International Bills Finance reached NT\$ 4.306 billion.
	✦ “Wealth Management e-Steward”, an all-around service app developed by IBF Securities, provides more people with diversified financial services via FinTech. By the end of May 2023, the number of people logging into the platform reached 103,956, up by approximately 95.83% compared to May 2022. ✦ IBF Securities has developed a “Time Fixed-Amount Cloud Smart Statement and Wang Pao Wallet” as an investment-friendly platform to provide a control mechanism and an easy-to-understand interface; this solution won three awards in the National Brand Yushan Awards.
	✦ By the end of 2022, the total balance of credit granted by International Bills Finance to guarantee objects that complied with the definitions of “Six Core Strategic Industries” reached NT\$ 76,613,700,000. ✦ By the end of 2022, IBF Securities had invested in “Six Core Strategic Industries”, involving a total amount of NT\$ 138,100,000.

➤ Rewards related to the business scope of IBF Financial Holding Group in 2022

When facing the changing global economic environment and continuous innovation of financial products, the Company believes that strengthening its core competitiveness is the only way to respond to the next wave of FinTech developments. It therefore encourages subsidiaries of the Group to actively participate in various competitions held by the competent authorities or research institutions to improve competitiveness.

Company	Award	Sponsor	Description
IBF Financial Holdings	Gold Award of Sustainable Investment in the 2 nd Taiwan Sustainable Investment Awards – Influence of Individual Cases	Taiwan Institute for Sustainable Energy	To praise role models of sustainable investment and encourage finance-related industries in Taiwan to continually invest in sustainable investment and include ESG topics in investment evaluations and decision-making processes, strengthen dialog and interaction of invested companies regarding ESG topics, and improve the disclosure of ESG information.
International Bills Finance	Excellent Financial Service Award in the 9 th Excellent Solar Photovoltaic Systems – Top Solar Awards	Bureau of Energy, Ministry of Economic Affairs	To select and appraise high-quality solar power generation systems, solar power system manufacturers, and the financial service industry through a fair and impartial review mechanism in the hope that the solar power establishment environment in Taiwan can be optimized and international market competitiveness of the industry can be reinforced.
	The 11 th Taiwan Banking and Finance Best Practice Awards – Excellence Award in the Best Bills Finance Awards	Taiwan Academy of Banking and Finance	To set an example in the financial industry, promote practitioners in financial circles to emulate and learn, and encourage progress and innovation in the financial industry.

Company	Award	Sponsor	Description
International Bills Finance	The 2022 Largest Corporations in Taiwan TOP 5000 – First among Bills Finance Companies	China Credit Information Service Ltd.	To provide quality authentication for all outstanding enterprises and promote credit certification in e-commerce from the perspective of “Enterprise Recommendation” and through the credibility of the Top 5000 Enterprise Ranking issued by China Credit Information Service Ltd.
IBF Securities	Best Popular Brand of Yushan Award – IBF Securities Co., Ltd. Best Product Category – Time Fixed-Amount Cloud Smart Statement Best Product Category – Wang Pao Wallet	- Republic of China National Enterprise Competitiveness Development Association - The National Brand Yushan Award Selection Committee	To motivate Taiwanese enterprises to work hard, dedicate efforts to building a national brand image, set an example for national enterprises, and select outstanding enterprises with the best competitiveness, as well as best products, most popular brand, and outstanding leaders, to recognize excellent performance.
	3 rd place in the Stock Heart Blessing Awards and 1 st place in the Stock Speed Transfer Awards in the TPEX Stock Warrant Competition Activity in 2022	Taipei Exchange	To improve the trading momentum of TPEX listed stocks with complete physical fitness, good profitability, and relatively low liquidity, TPEX has specifically selected and awarded stock warrant issuers with excellent performance in transaction amounts of TPEX listed warranties, turnover rates, and performance growth, and securities brokers with excellent performance in the promotion of TPEX listed stock warranties. Those winning first, second, and third prizes for each award are awarded trophies and bonuses.
	5 th place in the Weight Excellent Awards in the Stock Warrant Issuer Reward Activity in 2022	Taiwan Stock Exchange Corporation	To reward the efforts and contributions made by stock warrant issuers to the stock warrant issuance and trading market, the Taiwan Stock Exchange selects eight issuers of each level on average with relatively high transaction amounts of stock warrants, relatively high total transaction amounts of stock warrants in the whole year, and relatively high growth rate of transaction amounts of stock warrants in the previous year (2022). The first four issuers are ranked first to fourth, and the remaining four issuers are ranked in fifth place. Trophies and bonuses are awarded to winners.
	2 nd place with the Futures Dealer Transaction Volume Diamond Award in the 8 th Futures Diamond Awards	Taiwan Futures Exchange	To encourage legal entities to make good use of futures and options for hedging and increase their income, the Taiwan Futures Exchange holds the Futures Diamond Awards.
IBF Securities' Changcheng Branch	3 rd place in the Best Participation Awards of Securities Brokers	Taipei Exchange	A transaction rewarding activity intended to encourage providers of Pioneer Stock Board (PSB) stock liquidity to actively participate in quotations to provide market stability and liquidity, and to reward securities brokers with excellent performance in the promotion of stock transactions at PSB.
Rakuten International Commercial Bank	Gold Medal Award for the Internet-only Bank of Taiwan Client Services Center	Commercial Times	Rakuten International Commercial Bank established by IBF Financial Holdings, with its strategic partner, aims to optimize users' experiences and utilize diversified service channels to provide users with friendly, warm client services.



2022
TWSIA

Winning the 2nd Taiwan Corporate Sustainability Awards



Gold Award for Sustainable Theme Investment in the Category of Individual Case Influence



International Bills Finance winning the 9th Excellent Solar Photovoltaic System -Top Solar Award

Excellent Financial Service Award



International Bills Finance Winning Excellent Service Award of the 9th Excellent Solar Photovoltaic Systems – Top Solar Awards

— Awarded by Vice President Hui-Chuan An on behalf of the Company



International Bills Finance winning the 11th Taiwan Banking and Finance Best Practice Awards



Excellent Grade in Best Bills Finance Award

International Bills Finance Winning the 11th Taiwan Banking and Finance Best Practice Awards – Excellent Grade in the Best Bills Finance Awards.

— Awarded by President Yen-Lang Chiu on behalf of the Company



IBF Securities winning Yushan Award

Three Awards



IBF Securities winning the TPEX Stock Warrant Competition Activity in 2022

3rd Place of Stock Heart Blessing Award



IBF Securities winning the Dealer Transaction Volume

2nd Place of Diamond Award

2.1 | Information Security |

2.1.1 Significance of Information Security

In the digital era, people's convenience in everyday life has been improved, but new information security risks are on the rise, e.g., data theft, ransomware, DDoS attacks, hacker invasions, and other information security incidents. Therefore, prior to the development of technological innovation in the financial industry, a complete risk management mechanism needs to be established to lower information security risks. IBF Financial Holding Group places great importance on information security, updates its information security management system as required, and keeps relevant records to ensure the safe and effective operation of information work.

2.1.2 Information Security Policy and Responsible Unit

To promote the security of the information business and related information assets of affiliates, IBF Financial Holding Group promotes self-discipline, prevents the occurrence of security incidents that affect the confidentiality, integrity, and availability of information and systems in the process of information processing work, and assures the safe and effective operation of information processing work. The Information Department is responsible for overall information security planning and management. International Bills Finance, IBF Securities, IBF Securities Investment Consulting, and IBF Futures have also internally established and observe the Information security Policy.

2.1.3 Investment in Information Security and Education and Training

Details of expenses paid by IBF Financial Holding Group and its subsidiaries for information security as well as corresponding education and training in 2022

Unit: NT\$ 1/Hour/Person-time

Company	Expenses incurred due to information security hardware	Expenses incurred due to information security software	Maximum procurement expenses for information security investment	Total hours of information security education and training	Amount of time people have participated in information security education and training
IBF Financial Holdings	-	953,901	550,000	189	54
International Bills Finance	-	2,202,333	2,202,333	802	254
IBF Futures	1,902,317	4,441,925	1,650,000	4,324	1,260
IBF Venture Capital	62,690	-	45,150	24	12
IBF Securities Investment Consulting	60,500	110,638	60,924	98	86
IBF Futures	133,000	262,820	205,000	229	211
Total	2,158,507	7,971,617	4,713,407	5,666	1,877

2.1.4 Approaches for Strengthening the Information Security System

With the swift development of information technology, the mechanism and response plans currently used in IBF Financial Holding Group to strengthen the Company's internal information security and safeguard consumers' personal data security are as follows:

Information security monitoring mechanism and information security joint defense

Information personnel analyze, monitor, and receive various kinds of intelligence regarding the Financial Information Security Sharing and Analysis Center (F-ISAC) according to firewall records. The information department imported CloudCoffer (an unknown threat detection platform) in 2022 to defend against external website hosts, and expand the external user-server network protection from inside to outside to comprehensively improve the management capability of information security threats and achieve the goal of advocating the competent authority's Action Plan 2.0.

With respect to the occurrence of various financial information security incidents and malware and ransomware attacks, the information department has established a full backup mechanism for servers and personal computers, and established the Highlights of the Information Security Management Response Group of IBF Financial Holding Group this year. The Group also held its first information security meeting in April, and determined that the subsidiaries of IBF Financial Holdings should fill out and present a monthly information security management statement to IBF Financial Holdings so the parent Company can master subsidiary information security status in real-time and share information security information, thus achieving information security joint defense.

💡 Information security protection and practice

In recent years, with increasingly serious external attacks, including distributed denial-of-service attacks (DDoS) and SQL injection attacks, the information department has deployed firewalls, an unknown threat detection platform, antivirus software, junk mail filtering, and audit and encryption system, etc., and collaborated with information security vendors to engage in social engineering drills and penetration testing as well as checking personal data archives in personal computers to increase system defense, colleagues' awareness of information security crises, and resistance to the disclosure of personal confidential and sensitive archives.

The information department handles information system review work according to internal and external regulations, involving review compliance, information architecture, network activities, servers, personal computers, and IoT devices, and regularly implements vulnerability scanning and patching of information devices to lower the risks caused by vulnerabilities and to strengthen information system security.

2.1.5 Information Security

IBF Financial Holding Group was not involved in any information disclosure incident in 2022.

2.1.6 Outsourcing Vendor

Subsidiary IBF Securities modified internal rules and regulations as well as information service contracts in accordance with the Taiwan Securities Association Supply Chain Risk Management Self-Regulation announced on December 23, 2022, added essential control items for evaluations of information service suppliers' operational ability, risk control measures, confidentiality contracts, vendor selection principles, delays in contract performance, intellectual property rights, and a letter of undertaking to the information security statement, and carried out and reinforced relevant provisions of outsourcing vendors on information security to ensure that relevant rights, interests, and compliance of IBF Securities are secured upon the execution of projects or signing of contracts related to information security.

The Company's internal operating flow was also amended this year. Contents specified in the amended internal rules, regulations, or contracts signed with vendors in connection to information, including procurement, maintenance, and services, etc., must be reviewed with assistance from the information department to strengthen and implement relevant information security control. The Company also introduced the ISO 27001 international standard and passed verification in December 2022 to improve information security management of suppliers, service delivery management, and information security incident management, and strengthen suppliers' capabilities to synchronously improve information security. The validity period of the current ISO 27001 certificate is from December 27, 2022 to October 31, 2025.



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 地址：104台北市中山區樂群三路128號5樓
 請洽所屬營業員(全道營業據點)
 或洽詢客服電話：02-8502-0568(週一~週五 8:00am~5:00pm)
 期貨盤後電子盤人工交易室電話：02-2528-7793
 夜間場委託人工交易電話：02-8502-1137
 客戶申訴電話：0800-061-788



2.2 | Personal Data and Privacy Security |

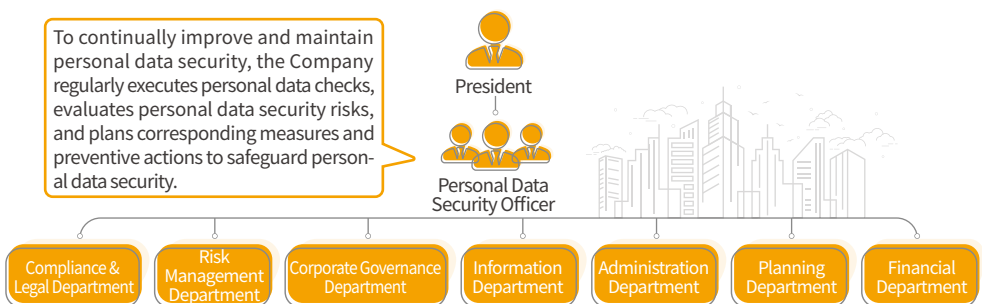
2.2.1 Significance of Personal Data and Privacy Security

The United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development (UNSGSA) pointed out in April 2023, “Financial inclusion is an enabler or accelerator of economic growth, job creation, and social development”. “FinTech” has become an important force to promote financial inclusion. When facing the rise FinTech, the financial industry shall provide innovative financial services and grant more options to financial consumers. Given the continuous updating of artificial intelligence (e.g., ChatGPT), blockchain, virtual currency (e.g., BTC), mobile payments, and other FinTech technologies and methods, more business opportunities have been brought to the financial industry. However, personal data and information security risks also arise due to FinTech. Therefore, close attention is required when promoting any FinTech products or services. In response to the services launched by non-physical branches, including online account opening, international financial cards, transfers, fixed deposits, and credit services, Rakuten International Commercial Bank, in which IBF Financial Holding Group holds 49% of shares, has won favor from clients due to its fast and convenient operations, and capability of withdrawing and transferring funds between Taiwan and Japan without handling fees. In coordination with the opening schedule of supervision, this bank has gradually launched innovative products to realize the goal of financial inclusion. In the future, IBF Financial Holding Group and each subsidiary will provide more diversified, convenient financial products and services that comply with market demands. Under the premise of compliance with relevant provisions, including the Personal Data Protection Act, more people will be able to access financial services. We will also moderately adjust our confidentiality measures and continue to strengthen our information security capabilities to safeguard clients’ rights and interests in response to technological development and changes to the social environment, laws, and regulations.

2.2.2 Personal Data and Privacy Protection Policy and Responsible Unit

IBF Financial Holding Group and its subsidiaries place great importance on personal data and privacy of clients, and have internally established relevant specifications. Units responsible for personal data and privacy protection include the compliance and legal department and the President’s Office in accordance with the different divisions of the internal authorities and responsibilities of each subsidiary. The Group already established a total of 26 internal rules and regulations regarding the protection of clients’ personal data as of the end of 2022; these are as follows.

● Regulations Governing Security Maintenance of Personal Data Files	● Work Highlights for the Concerned Parties’ Exercising of Rights Specified in Article 3 of the Personal Data Protection Act
● Work Highlights for Performing the Notifying Obligation Determined in the Personal Data Protection Act	● Work Highlights for Destruction of Paper Materials Like Archives and Dossiers
● Principles for the Collection, Processing, Utilization Term, and Expiration of Personal Data in Each Business	● Work Highlights for Response Notification and Prevention of Personal Data Incidents
● Work Highlights for the Performance of Notifying Obligation Determined in the Personal Data Protection Act	● Management Procedure for Personal Data Protection
● Work Highlights for the Control of Personal Data Security Maintenance in Computers	● Highlights for the Safety Maintenance Plans of Personal Data Files
● Work Highlights for Email Management	● Detailed Rules for the Safety Management of Personal Data
● Highlights for Setting and Use of Personal Data Archives and File Cabinets	● Operating Standards for Prevention of Data Disclosure by Email



2.2.3 Actions and Effect of Promotion of Personal Data Protection and Privacy Protection

IBF Financial Holdings regularly reviews whether each unit performs its management and confidentiality obligations with regards to the data files they hold every year, and drafted a risk evaluation report of personal data and goals for the year 2022 to confirm status. Furthermore, to strengthen all colleagues' awareness of personal data protection, IBF Financial Holdings holds "Advocacy of the Personal Data Protection Act" education and training courses every year, and advocates information related to the Personal Data Protection Act to colleagues and management on an irregular basis.

The commitments of IBF Financial Holding Group and subsidiaries to the confidentiality of the Group's client data are handled in accordance with the Financial Holding Company Act, the Regulations Governing Co-Marketing among Subsidiaries of Financial Holding Companies, the Personal Data Protection Act, and other relevant laws and regulations of the competent authority. Appropriate security measures are implemented for clients' personal data files to protect such data from theft, falsification, damage, loss, or leakage, and to fulfill our responsibility of maintaining the confidentiality of clients' data. The personal data protection mechanisms practiced by IBF Financial Holdings and each subsidiary are as follows:

- 1 | Use a firewall to control and isolate between the company and each subsidiary, and use an IP control mode.
- 2 | Undertake hierarchical management of personal data and use information security technology to prevent unauthorized access.
- 3 | Establish a control mechanism that complies with internal and external regulations for personal data to ensure proper protection of personal data.
- 4 | Regularly adopt external personal data scanning mechanism to take stock of the Company's internal personal data retention and requests for approval.

Subsidiary International Bills Finance has entrusted PwC Taiwan with the auditing of personal data protection items for the year 2022, and the inclusion of such items in the internal control system audit report has been enacted in accordance with the provisions of Article 28-2 of the Implementation Rules of Internal Audits and the Internal Control System of Financial Holding Companies and Banking Industries, and the orders issued by the FSC. The report issued by CPAs was already submitted to the FSC for reference and filing.

2.2.4 Personal Data Incidents in 2022 and Responsive Measures

There were no information disclosure incidents of IBF Financial Holdings and its subsidiaries related to personal data in 2022, neither were there any confirmed incidents that infringed upon clients' privacy or involved the loss of clients' data, nor a situation in which identifiable information of individuals was disclosed thereby affecting clients. IBF Financial Holdings will continue to strengthen relevant personal data protection mechanisms and carry out its responsibility for protecting clients' privacy.



2.3 | Service Quality and Client Satisfaction |

2.3.1 Client Service Quality and Communication

Client service is one of the important operation management indicators in the financial service industry, and an important decisive factor that influences long-term and stable cooperation with clients. The scope of client service and communication is not limited to the one-way or two-way communication among the enterprise, clients, and software and hardware, but also covers data integration, marketing, business sales, services, and technical support.

Client service also directly impacts the operational performance of the financial service industry and affects clients' loyalty and contributions to the enterprise. Therefore, client service is an extremely important process in corporate management. We need to satisfy clients' needs through complete client services and in-depth client analysis to realize the win-win goal of clients and the financial service industry. The financial service industry is also currently playing a role in stabilizing financial order, and it does not provide financial services under the precondition of promotional approaches, instead providing financial product sales and services by centering on clients' needs and interests to win clients' loyalty and satisfaction, and achieve sustainable management goals.

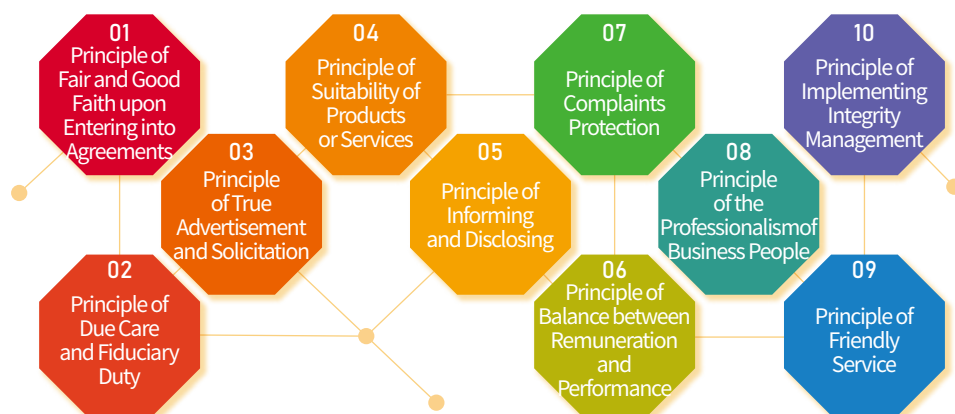
To effectively handle appeals and disputes submitted by clients, relevant subsidiaries of IBF Financial Holding Group, including International Bills Finance, IBF Securities, IBF Securities Investment Consulting, and IBF Futures, have established Regulations for Financial Consumer Protection and Regulations for Handling Client Disputes.

2.3.2 The Principle of Treating Clients Fairly

To value the corporate culture of protecting financial consumers, and specifically implementing the Principles for Financial Service Industries to Treat Clients Fairly established by the FSC, subsidiaries have established a Policy for the Principle of Treating Clients Fairly and Strategy for the Principle of Treating Clients Fairly for employees to observe and execute. Supervisors with the rank of Executive Vice President or above and dedicated departments are also responsible for planning and promoting the aforesaid policy and strategy, and reporting the implementation status to the Board of Directors every year.

To establish a management concept of client orientation and continue to improve client satisfaction, create client value, and optimize services, we established the Committee for the Promotion of Treating Clients Fairly in 2022. The President serves as the convener of this committee and convenes meetings every quarter. To improve financial practitioners' awareness and professional knowledge regarding regulatory compliance and treating clients fairly and reasonably, we also provide training, and include the establishment and execution of the Principles of Treating Clients Fairly in the internal control and audit system.

Subsidiaries International Bills Finance and IBF Securities adhere to the corporate culture of professional finance and ethical management. To protect financial consumers' rights and interests, they not only provide good financial services for clients, but have also established a policy and strategy and key points for implementation by sticking to the Principles of Treating Clients Fairly, in the hope that all colleagues see things from a client perspective, provide services that satisfy clients' needs, ensure clients' rights and interests, and implement the following principles:

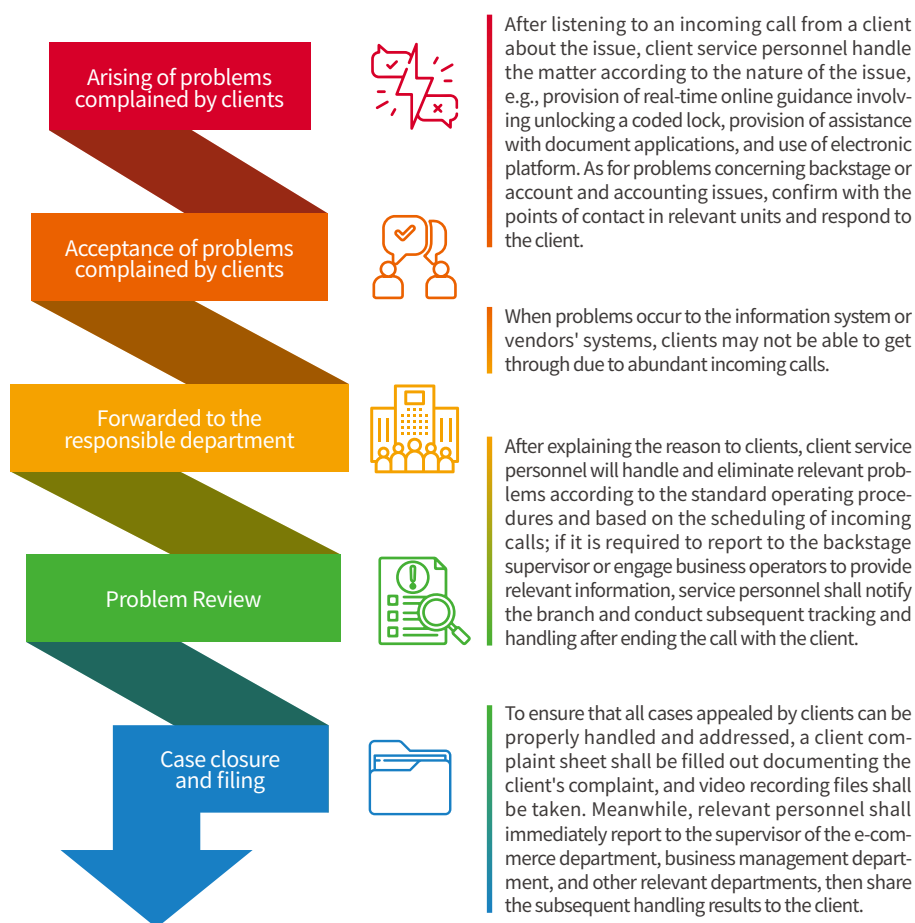


2.3.3 Processes for Handling of Client Complaints and Grievances

Depending on the business nature of entities within the Group, clients can be divided into corporate clients and natural person clients, with most clients of IBFC being corporate clients, and more clients of IBF Securities, IBF Futures, and IBF Securities Investment Consulting being natural person clients. Regardless of the type of client, the Group values their feedback.

To ensure that colleagues follow processes for handling client complaints and grievances, International Bills Finance has established the Regulations for Financial Consumer Protection, which specifically determine the appeal channels in case of financial consumption disputes with financial consumers. The deputy supervisor of each business unit serves as the responsible person, and the supervisor of the compliance and legal department serves as the general point of contact for accepting appeals. If a financial consumer directly appeals to financial ombudsman, or does not accept the handling result and applies to the ombudsman for deliberation, the compliance and legal department shall serve as point of contact for the authority. IBF Securities, IBF Securities Investment Consulting, and IBF Futures have established the Regulations for Handling Client Disputes. The handling method is shown as follows:

 The flowchart for handling of client complaints is as follows:



2.3.4 Channels for Client Complaints and Grievance

Customer relationship management and understanding and addressing clients' needs are the core of an enterprise's management. With changes in the economy and society, a successful enterprise is not only able to continuously provide innovative products that meet market demands, but also maintaining good interaction with clients and cultivating loyal clients is considered a key factor of business success. The Group is committed to listening to clients' needs, responding to their opinions, improving the quality and efficiency of its services, and providing professional financial services driven by clients' needs; these are important areas for the financial industry. To this end, the Group has established various channels to collect and respond to clients' needs.

Name of company	Channels for client complaints and grievance
IBF Financial Holdings	(02) 7752-0088
International Bills Finance	The supervisor of the Compliance & Legal Department serves as the general window of financial consumers' appeals. Contact number: (02) 2518-1688 - 615 (Extension)
IBF Securities	1. Visit or make a call to the general branch. 2. Dedicated client service line: 0800-061-788 3. Submit appeals in writing (signature or seal)
IBF Futures	1. Personal visit or contact by telephone 2. Dedicated client service line: (02) 2528-8165 3. Online whistleblowing mailbox on the official website 4. Written report or fax
IBF Securities Investment Consulting	1. Personal visit or contact by telephone 2. Dedicated client service line: (02) 2175-2188

2.3.5 Number of Client Complaints and Grievance Handled

Name of project	Number of clients' appeals	Closed cases	Cases tracked and handled
IBF Securities	22	22	0
IBF Futures	3	3	0



2.4 | Digital FinTech |

2.4.1 Significance Digital FinTech

With the development of information technology and the innovative application service of data, the majority of financial institutions provide clients with seamless mobile digital banking services, and have expanded the payment function to more diversified scenarios to create a financial ecosystem. The Financial Supervisory Commission (FSC) has established multiple policies in response to the business opportunities brought by digital development, encouraged financial innovation, and deepened the level of financial popularization. At the same time, to satisfy the consumption needs of the new generation, an innovative experimental mechanism intended to develop FinTech has been promoted to provide a safe environment for R&D and FinTech trials. Furthermore, the FSC supervises and guides FinTech innovation parks to strengthen cooperation and communication regarding FinTech, and holds Fintech Taipei to develop an innovative and entrepreneurial ecosphere. In addition, the establishment of an open internet-only bank can improve the energy for updating the industry, and provide people with better financial services. The development of FinTech is deemed an important policy for the improvement of the competitiveness of Taiwan.

2.4.2 Digital FinTech Policy

IBF Financial Holding Group pays close attention to each policy issued by the competent authority related to FinTech, and is developing new businesses and expanding its financial business to find a balance across multiple core businesses and benefit the Group with other financial business fields so we can become a professional and efficient financial service group. We also encourage each affiliate to apply electronic and financial technological innovation technologies in operations to expand financial product fields, innovatively develop financial services, satisfy consumers' needs for financial services, and improve corporate competitiveness.

IBF Financial Holding Group has achieved remarkable results in digital innovation services. Subsidiary IBF Securities Co., Ltd. is dedicated to building a friendly investment platform to deeply develop FinTech and continue to implement function optimization and upgrading by centering on clients' experience. In consideration of various risks faced by investment novices, from order placement to closing, it has developed the Time Fixed-Amount Cloud Smart Statement and Wang Pao Wallet as a control mechanism with an easy-to-understand interface, which has been deeply favored by clients. These products have won three awards, including Best Product in the National Brand Yushan Awards in 2022. In addition, Rakuten International Commercial Bank, an internet-only bank jointly initiated and incorporated by IBF Financial Holdings and Rakuten Bank, Ltd., and Rakuten Card Co., Ltd. were awarded the double international standard verification certificates ISO 27001 Information Security Management Systems and BS 10012 Personal Data Protection issued by British Standards Institution (BSI) in 2021, and won the Gold Medal Award for the online Bank of Taiwan Client Services Center in 2022, showing that Rakuten International Commercial Bank has already optimized the user experience and addressed client needs through diversified, friendly service channels.

2.4.3 Actions and Effect of Promotion of Digital FinTech

➤ IBF Securities

💡 Wealth Management e-Steward

Mobile digital life is already a national trend. To provide investors with more mobile securities services, IBF Securities has launched its self-developed all-around service app, “Wealth Management e-Steward”. Currently, in combination with stock selection by God of Wealth, securities intelligence, investment intelligence, securities and futures order placement and accounting, business applications (ledgers, security lending, loan lending, fixed term and fixed amount, and credit transactions, etc.), Message Subscription and active pushes (e.g., investment messages, stock news, entrusted repurchases and subscriptions, daily/monthly bank statements, accounts receivable, retention rates, etc.) and a dedicated zone for stock agencies, “Wealth Management e-Steward” currently assists clients in quickly accessing the services they need by electronic means without having to go on operating sites. In addition to e-services, clients’ loyalty to the system can also be maintained, and external client sources can be increasingly solicited. To enhance the utilization ratio of the mobile platform, IBF Securities continues to optimize its operating processes and electronic services, e.g., opening of new accounts by online video verification, adding of electronic transaction accounts for old accounts, account opening for the lending of securities, signing of consent forms, applications for collective custody e-passbooks, and changes to basic data, etc., thus effectively lowering manual operation time and operating costs, including paper costs, and making it convenient for clients to complete actions online. Furthermore, IBF Securities simplifies the application process of electronic statements, vigorously promotes client applications, and implements e-billing.



As of May 2023, the number of users logging into the “Wealth Management e-Steward” platform reached 103,956, up by 95.83% compared to 53,086 in May 2022. Providing clients with complete and diversified services is IBF Securities’ goal while maintaining quality. It will continue adding electronic functional services in the future to further improve this all-round mobile service app.

💡 IBF Securities LINE OA

More than 18 million people are using LINE in Taiwan. To serve the application needs of investors in LINE, IBF Securities launched an official IBF Securities LINE account after the launch of its self-developed app, “Wealth Management e-Steward”. Mainly starting from investors’ user habits, it masters the core values of FinTech and provides individually exclusive services so that investors can stay ahead of investment information at any time.

The main service function options provided by the official IBF Securities LINE account include: (1) Online account opening; (2) market news – IBF focus, important needs, and other investment information; (3) securities trading: order placement, accounting, stock subscriptions, futures trading, etc.; (4) document applications; (5) client services: dedicated password zone (password change, unlocking, and reissue), operating sites and frequently asked questions; and (6) latest preferences: activity information and other relevant services, thereby closing the gap on investors’ wealth management needs. As of May 2023, the number of members reached 57,376.



理財e管家



國票超YA



國票證券LINE@

💡 Electronic order placement of IBF Securities

With the coming of the network era, electronic order placement has already become an important instrument provided by securities firms to investors. Securities firms currently provide electronic order placement services, however handling charges for orders differ based on the internal policies of the firm. The average ratio of the amount of orders electronically placed in 2022 reached 67.12%, up by 3.47% compared to 64.87% in 2021.

➤ IBF Futures

IBF Futures has established diversified digital channels, and continually strives for diversity of order placement platforms. In addition to dual-backup external futures quotation and order placement channels, it uses the order placement optimization function of its own platform as the overseas future quotation component, optimizes order placement API components at home and abroad in a more active way, and provides local and foreign procedure transaction users with easier transaction serial connection channels. IBF Futures has also established an official LINE account to provide relevant futures pushes. All the transaction information covered on the official website can be queried, and the order placement system can be downloaded.

2.5 Sustainable Finance

2.5.1 Sustainable Finance Policy

IBF Financial Holding Group regularly convenes meetings of the Operational Development Committee and Investment Decision Committee to discuss the Group's operational policy. During monthly Operational Development Committee meetings, subsidiaries IBF Venture Capital and IBF Securities report and discuss the operation overview of individual long-term investments and the direction of IPO selection of the capital market department respectively. During monthly Investment Decision Committee meetings, the investment direction of each affiliate regarding equity products and direct investments is also discussed to realize the sustainable development of industries including culture and creativity, biotechnology and medicine, green energy R&D, and intelligent technology with the support of stock picking investments, and to respond to the government's promotion of green finance policy.

In addition, IBF Financial Holdings has voluntarily followed the United Nations Principles for Responsible Investment since 2022, amended the Sustainable Finance Policy of IBF Financial Holdings Co., Ltd., and included ESG topics in the investment and lending processes of the Company and affiliates. Subsidiary IBF Bills Finance not only pursues corporate growth but also spares no effort in its dedication to society and the environment. In response to the government's priority to promote green finance, the Code of Response Finance has been established according to the sustainable finance policy of the parent company, sustainability development evaluation and verification forms have been established for the lending and investment businesses (self-insurance, non-guarantee, and securities), and the Code of Responsible Finance and Code of Responsible Financing have already been established to support and give proper financial assistance to green industries or enterprises benefiting sustainable development. Guidance will also be provided for those with high pollution or major risks in sustainable development, or they will not be cooperated with, to show our support to sustainable development. In recent years, we have also promoted enterprises to issue fixed rate commercial paper (FRCP) linked with sustainability indices. If an enterprise adopts practical actions in sustainable development, or a relevant ESG rating in a Corporate Governance Appraisal or an appraisal by an external agency reaches a certain level, the interest rate of an issued FRCP may be reduced. As of the end of 2022, the accumulated contracting amount of FRCPs linked with sustainability indices reached NT\$ 10.2 billion. Through the issuance of sustainable commercial paper, we encourage more enterprises to include ESG topics in their core operational strategies.

In addition to business promotion, International Bills Finance has also established the Principles for Procurement in Sustainable Development. It has also established the Regulations Governing Institutions' Priority of the Procurement of Environmental Protection Products, green procurement, and other relevant principles with reference to government regulations to fulfill social corporate responsibility through practical actions of appraisals and evaluations of commodities and suppliers.

2.5.2 Actions and Effect of Promoting Sustainable Finance

To accelerate the transformation and upgrading of industries in Taiwan, the government has proposed plans for granting loans to six core strategic industries, including "Information and Digital Industries", "Cybersecurity Industries", "Precision Health Industries", "National Defense and Strategic Industries", "Green and Renewable Energy Industries", and "Strategic Stockpile Industries" as the core to drive the industrial growth of Taiwan in the next generation and inject new energy into economic growth. Affiliates under IBF Financial Holding Group support the government's Industry Innovation Plan based on the attributes of their clients' industries and by means of investment and lending, which is described as follows:

➤ International Bills Finance

💡 Investment in ESG individual stocks

With the increase of various environmental topics, a growing number of enterprises have begun to raise their requirements for the reduction of environmental harms. ESG is therefore on the rise, and the market has gradually recognized the close relevancy of ESG factors to enterprises' long-term growth potential. Some investors have already included sustainable investment data in their investment objectives.

When promoting ESG investment, subsidiary International Bills Finance established the Institutional Investor Stewardship Policy, which complies with the Company's business model, and signed a statement of compliance with the Stewardship Principles for Institutional Investors this year with the aim of improving the quality of corporate governance, paying attention to major material ESG topics, and improving long-term return on investment through implementing the Due Diligence Governance Policy and observing the Due Diligence Best Practice Principles.

By the end of 2022, self-operated departments of International Bills Finance invested in a total of three grades of ESG individual stocks with an accumulated amount of NT\$ 197 million.

💡 Engagement in “Six Core Strategic Industries”

International Bills Finance actively coordinates the government’s green energy development policy, develops future emerging industries, and strives for lending cases with vendors engaged in green energy technology, intelligent machinery, national defense and aerospace, and environmental protection and recycling to extend the foundation of the “5+2 Industry Innovation Plan”, even forming cross-domain integration between innovative industries. In 2022, the total credit limit provided by International Bills Finance to guarantee objects that complied with the definitions of the “Six Core Strategic Industries” reached NT\$ 148.3587 billion, and the total credit balance reached NT\$ 76.6137 billion. With equal consideration to risk management and the motivation of colleagues to realize lending goals, the Company listed new cases that complied with the government’s economic development policies in the bonus items in the annual evaluation. At the end of 2021 and 2022, the lending status of industries defined in the “5+2 Industry Innovation Plan” and “Six Core Strategic Industries” was as follows:

Credit Balance of 5+2 Innovative Enterprises and Other Industries

Credit classification	No.	Credit balance in 2021 (NT\$ 1,000)
Intelligent machinery	73	3,076,000
Asia-Silicon Valley	123	9,197,300
Green Energy Technology	122	15,386,300
Biotechnology and Medicine Industry	19	1,126,000
National Defense Industries	136	10,346,700
New Agriculture	12	785,000
Circular Economy	134	9,220,700
Total	619	49,138,000

Credit Balance of Six Core Strategic Industries

Item	No.	Credit balance in 2021 (NT\$ 1,000)	Credit balance in 2022 (NT\$ 1,000)
Information and Digital Industries	149	26,499,700	13,939,000
Cybersecurity Industries Excellence	45	6,715,000	3,691,100
Taiwan Precision Health Industries	32	8,305,000	5,828,700
National Defense and Strategic Industries	166	24,976,100	12,947,100
Green and Renewable Energy Industries	173	36,202,100	17,139,500
Strategic Stockpile Industries	229	45,660,800	23,068,300
Total	794	148,358,700	76,613,700

💡 Sustainable development bonds

To pursue the spirit of responsible investing, International Bills Finance implements the concept of sustainable management in its business. As of December 31, 2022, the accumulated amount (face value) of investments of International Bills Finance in sustainable development bonds reached NT\$ 4.306 billion. The statistics are shown in the table below.

Details of sustainable development bonds

Type of bond	Currency	Face value held (NT\$)
Green bond	USD	23,000,000
	TWD	2,700,000,000
Social responsibility bond	TWD	900,000,000

➤ IBF Securities

💡 Investments of self-operated departments in 5+2 Industries at the end of 2022:

Classification	No.	Shareholding amount (NT\$)
Asia · Silicon Valley	6	36,357,322
Others (including textile/cement/food, plastics and chemistry, and other relevant industries)	5	24,330,598
Green Energy Technology	1	446,900
Biotechnology and Medicine Industry	1	2,752,351
Intelligent Machinery	10	54,402,015
Circular Economy	3	19,814,702
Total	26	138,103,888

💡 Investments of self-operated departments in Six Core Strategic Industries at the end of 2022:

Classification	No.	Shareholding amount (NT\$)
Cybersecurity Industries	10	54,402,015
Precision Health Industries	1	2,752,351
National Defense and Strategic Industries	6	36,357,322
Green and Renewable Energy Industries	4	20,261,602
Strategic Stockpile Industries	5	24,330,598
Total	26	138,103,888

💡 Capital Market Department-Shareholding Position in Emerging Stock Market:

Classification	No.	Shareholding amount (NT\$)
Information and Digital Industries	3	3,487,091
Precision Health Industries	1	588,488
National Defense and Strategic Industries	1	2,446,800
Green and Renewable Energy Industries	1	461,450
Strategic Stockpile Industries	5	13,351,158
Total	11	20,334,987

💡 Capital Market Department-Coaching for Listing at TWSE/TPEX:

Projects complying with Six Core Industries	Name of case	Case industry	Promotion action	Effect
Information and Digital Industries	AcSip Technology Corp.	Communication network industry (vendors of wireless communication modules and IoT)	Serving as the chief agency broker in this company's IPO at TPEX	Assisting and coaching the planned TPEX listing of this company for capital acquisition in the capital market and expansion of business scale
Strategic Stockpile Industries	Sync Power Corp.	Semiconductor industry (R&D, design, and sales of power management ICs)	Serving as the chief agency in this company's IPO at TPEX	Assisting and coaching the planned TPEX listing of this company for capital acquisition in the capital market and expansion of business scale
	Chun Zu Machinery Industry Co., Ltd.	Electrical machinery industry (R&D, manufacturing, and sales of forming machines of screws, nuts, and parts)	Serving as the chief agency broker in this company's IPO at TPEX	Assisting and coaching the planned TPEX listing of this company for capital acquisition in the capital market and expansion of business scale
	Joules Miles Co., Ltd.	Battery manufacturing (manufacturers of battery modules)	Serving as the chief agency broker in this company's IPO at TPEX	Assisting and coaching the planned TWSE/TPEX listing of this company for capital acquisition in the capital market and expansion of business scale
	STARLUX Airlines	Shipping industry (civil aviation transportation)	Serving as the co-broker in this company's IPO at TWSE/TPEX	Assisting the chief agency broker in coaching the planned TWSE/TPEX of this company for capital acquisition in the capital market and expansion of business scale
	Martas Precision Slide Co., Ltd.	Electrical machinery (R&D, design, manufacturing, and marketing of precision ball bearing slides)	Serving as the co-broker in this company's IPO at TWSE/TPEX	Assisting the chief agency broker in coaching the planned TWSE/TPEX of this company for capital acquisition in the capital market and expansion of business scale
	Lianyou Metals Co., Ltd.	Others (reduction of alloy consumables to raw materials industrially needed)	Serving as the co-broker in this company's IPO at TWSE/TPEX	Assisting the chief agency broker in coaching the planned TWSE/TPEX of this company for capital acquisition in the capital market and expansion of business scale
Precision Health Industries	iXensor Co., Ltd.	Biotechnology and medicine industry (Manufacturing of iXensor® COVID-19 Antigen for Home Rapid Screening)	Serving as the co-broker in this company's IPO at TWSE/TPEX	Assisting the chief agency broker in coaching the planned TWSE/TPEX of this company for capital acquisition in the capital market and expansion of business scale
Information and Digital Industries	Grade Upon Technology Corp.	Other electronics industry (intelligent automatic operation system (AI), and process data collection system (IoT))	Serving as the co-broker in this company's IPO at TWSE/TPEX	Assisting the chief agency broker in coaching the planned TWSE/TPEX of this company for capital acquisition in the capital market and expansion of business scale

💡 Fixed-Income Product Department-Procurement of Green Bonds:

The accumulated amount (face value) of green bonds invested by the Fixed-Income Product Department as of the end of 2022 reached NT\$ 500 million.

Information of the bond	Issuing company	Green Investment Plan	Included in the green bond databases of the following institutions or not		Face value held (NT\$ 1 million)
			Bloomberg	Climate Bonds Initiative	
P09 Taiwan Semiconductor 6A B618C3	Taiwan Semiconductor Manufacturing Company Limited	Improvement of energy utilization efficiency/ energy conservation/ Reduction of greenhouse gases/ adaption to other climate change or those recognized by the TPEX	Yes	Yes	200
P10 Chailease 1A B95125	Chailease Finance Co., Ltd.	Development of renewable energy sources and energy technology	Yes	Yes	100
P10 Chailease 1B B95125	Chailease Finance Co., Ltd.	Development of renewable energy sources and energy technology	Yes	Yes	100
Taipower B903YJ	Taiwan Power Company	Development of renewable energy sources and energy technology	Yes	Yes	100

Date source: Statistics self-gathered by the TPEX.

➤ IBF Venture Capital

The investments of IBF Venture Capital in the six core strategic industries as of the end of 2022 are as follows:

Classification	No.	Shareholding amount (NT\$)
Information and Digital Industries	1	125,818,513
Cybersecurity Industries	0	0
Precision Health Industries	0	0
National Defense and Strategic Industries	1	63,000,000
Green and Renewable Energy Industries	0	0
Strategic Stockpile Industries	3	94,016,700
Total	5	282,835,213

2.5.3 Operation Business Related to the Material Topic of Sustainable Finance

As a pioneer in the undertaking of solar photovoltaic financing in the industry, IBF Financial Holding Group has leveraged its influence in the green energy financing market and actively assisted practitioners in acquiring capital from the monetary market through the guarantee, underwriting, and issuance of commercial paper. In 2022, it extended its lending business from the power generation sector to the energy storage sector, thus creating positive ESG benefits for society.

In 2022, International Bills Finance lent loans to a total of 75 credit clients in green energy related industries with a total credit limit of NT\$ 20,498,800,000. In 2023, International Bills Finance will continue to develop clients in green energy technology industries, and undertake cases involving energy storage system, solar power station equipment and engineering financing, geothermal power generation, wind power generation, and environmental protection and regeneration to continue to grow this credit limit.

Site Photos of Credit Clients in Green Energy Technology

Madou District & Syuejia District, Tainan City-Ground-type project site with installed capacity of 160MW



Taimali, Taitung County-Terrestrial heat project Site with installed capacity of 499KW



Internal and external education and training of solar energy financing over the years

In addition to the development of the solar energy financing business, IBF Financial Holding Group has also spared no effort in the cultivation of green finance talent. Actively encouraging colleagues to attend external forums to master market trends and stay abreast of international standards, it has arranged for colleagues to sit examinations for corporate sustainability manager licenses and obtain professional sustainability knowledge, with the aim of the Group continuing to exert its influence on green energy financing and lead the energy transformation.

Regular holding of internal education and training

Education and training plan for the "2K2 Special Report"

After arranging colleagues to self-determine reporting themes every month, we provide them with learning opportunities regarding data searching, briefing making, and logical analysis so that reporting and attending colleagues may offer their creative ideas on various topics, share their respective experiences, and enrich their personal vision through interactive discussion.

- Theme in June 2017: Development of Solar Power Stations and Financing Models
- Theme in October 2017: Development of Wind Power and Financing Models
- Theme in November 2017: Secondary Battery
- Theme in November 2020: Solar Photovoltaic System
- Equipment-Materials
- Theme in September 2021: Sharing of Participation History
- Leading to Winning the Top Solar Award for the Second Consecutive Time

Supervisor Consensus Camp

Analyze relevant professional topics regarding cases and lending highlights of solar power stations and learn about success stories from internal experts of the company regarding power stations.

Active participation in external lectures and forums

- Solar photovoltaic finance training course in 2018
- PV Taiwan in 2018
- Solar photovoltaic setting risk and control seminar in 2018
- Talent training plan for financing of renewable energy projects in 2019 - Analysis of financial models in project financing
- Education and training of offshore wind power financial due diligence in 2019
- Education and training of offshore wind power insurance due diligence in 2019
- Green Finance New Era Summit Forum in 2020
- Online explanation session of the Bureau of Energy, Ministry of Economic Affairs, for the promotion of fishery-electricity symbiosis in 2021
- An outlook on the direction of global green finance from the new green policy of the EU in 2023





Chapter 3 Happy Workplace

3.1 | Employee Rights and Benefits

3.2 | Employee Development and Training

United Nations Sustainable Development Goals (SDGs)		Sustainable Performance in 2022
		 Subsidizing the health examinations of 181 employees at a cost approaching NT\$ 2,188,000.
  		 Adopting employment policies without discrimination in gender, race, age, marriage, and family status and implementing the equality of remuneration, employing conditions, training and promotion opportunities.

2.1 | Employee Rights and Benefits |

2.1.1 Significance of Employee Rights and Benefits

Key talent is the most important asset of an enterprise. When faced with fierce global enterprise competition, recruiting and retaining key talent is a key strategy for an enterprise at present and in the future.

Talent training, employee career development, and securing of human capital form the cornerstone for the sustainable development of IBF Financial Holding Group. Among the United Nations Sustainable Development Goals (SDGs), SDG8, i.e., Decent Work and Economic Growth, is a goal requiring collaborative participation and completion by enterprises. Enterprises are expected to take actions to promote inclusive and sustainable growth, achieve comprehensive and productive employment, and enable everyone to have a decent job. SDG5, i.e., Gender Equality, aims to realize comprehensive gender equality, enabling people to work together and respect each other, and granting rights to women in the pursuit of stable social development.

The development of sustainable human resources is the foundation of the Company to provide professional and innovative services. We hope to provide an environment for our employees to develop their careers long-term, take good care of each employee's family, and create a more stable society. We have long been concerned about workplace harmony, gender equality, and employee rights and interests. In addition to following labor-related laws and regulations to prevent sexual harassment in the workplace, we also plan and implement gender equality advocacy courses in our annual education and training programs to facilitate the cultivation of talent, maintain harmonious labor relations, provide fair and reasonable compensation and benefits, improve professional core functions, make labor-management communication barrier-free, and provide comprehensive care for their physical and mental health to support the development of sustainable management.

The Company has a "fair and reasonable" salary and remuneration system to stabilize people's confidence and recruit outstanding talent. The rights and benefits of employees of the Company all comply with the relevant regulations of the Labor Standards Act, and the Company has also established various personnel rules to specify employee remuneration, service, and evaluations, etc. as the basis for employee conduct. The employment policy does not involve any discrimination in gender, race, age, marital or family status, etc., but implements equality across remuneration and employment criteria, training, and promotion opportunities. The Company's operating results are fully reflected in the compensation of its employees. As a result, the Company has been rated by the Taiwan Stock Exchange and included in the Taiwan High Compensation 100 Index in 2018, 2019, 2020, 2021, and 2022. The Company has met the key quantitative indicators of "average compensation of employees", "net profit", "net worth per share", and "total compensation of employees", demonstrating that IBF Financial Holding Group considers employee compensation, retention of talent, and social responsibility important.

Since the outbreak of the COVID-19 epidemic in 2019, IBF Financial Holding Group has placed greater importance on long-term giving back to society and fulfillment of social responsibility; as important talent for national development in the future, young students are highly valued. IBF Financial Holding Group continues to maintain good interaction with colleges and universities in different regions, and invests in the cultivation and fostering of new talent with dedication and resources. It also accumulates the concept of sustainable talent development and expects students to apply what they have learned, and rely on the strength of technology and digitalization to expand their vision, credit industry-university win-win cooperation, and inject new energy into society in Taiwan.

▲ In November 2022, IBF Futures visited National Taipei University of Business and searched potential talents on campus.

3.1.2 Human Structure

Employee types of IBF Financial Holding Group classified per gender in 2022

Class	Type	Male	Female	Total
Employment Contract	Permanent	621	859	1,480
	Temporary	2	1	3
Employment Type	Full-time	623	860	1,483
	Part Time	0	0	0
Employee Type	Supervisor	96	43	139
	Non-supervisor	527	817	1,344

Note: The statistics above do not include interns; non-supervisory employees of the Group are mainly defined as employees of associate manager rank of lower. Non-supervisory roles of some companies, in addition to being ranked below associate manager, also simultaneously comply with the conditions that they do not receive a supervisor’ s allowance, nor serve as a supervisor and deputy supervisor of a department.

Statistical Table of Non-Typical Employees of IBF Financial Holding Group in 2022

	Clerical personnel	Drivers	Security personnel
Male	0	1	0
Female	1	0	0
Subtotal	1	1	0
Total	2		

New employees in 2022

Item	Male		Female		Total	Ratio of new employees
	Below 40	Above 40	Below 40	Above 40		
IBF Financial Holdings	0	3	0	0	3	7.50%
International Bills Finance	9	0	2	0	11	5.67%
IBF Securities	37	32	27	59	155	13.51%
IBF Venture Capital	0	0	0	0	0	0.00%
IBF Securities Investment Consulting	4	1	5	0	10	32.26%
IBF Futures	9	3	8	2	22	39.29%
Total	59	39	42	61	201	13.55%

Note 1: The ratio was calculated according to the number of employees of each subsidiary at the end of 2022.

Note 2: The ratio of the Group was calculated per a total of 1,483 employees of the six companies at the end of 2022.

Separated employees in 2022

Item	Male		Female		Total	Separation rate
	Below 40	Above 40	Below 40	Above 40		
IBF Financial Holdings	0	2	0	1	3	7.50%
International Bills Finance	9	4	3	1	17	8.76%
IBF Securities	22	52	19	62	155	13.51%
IBF Venture Capital	0	0	0	0	0	0.00%
IBF Securities Investment Consulting	0	3	0	3	6	19.35%
IBF Futures	6	2	3	4	15	26.79%
Total	37	63	25	71	196	13.22%

Note 1: The ratio was calculated according to the number of employees of each subsidiary at the end of 2022.

Note 2: The ratio of the Group was calculated per a total of 1,483 employees of the six companies at the end of 2022.

3.1.3 Policy for Employee Rights and Benefits

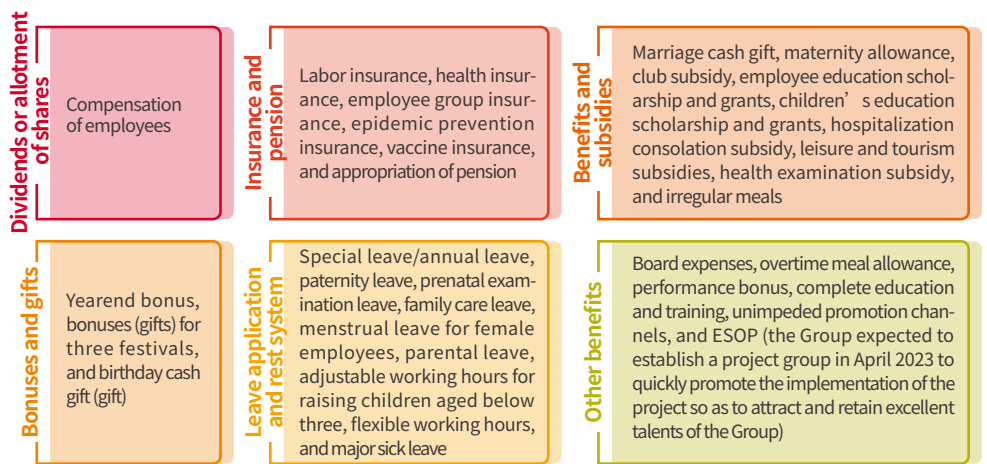
IBF Financial Holding Group deems the cultivation of excellent talent as an indivisible part of sustainable development. Our compensation and benefits system does not discriminate based on gender, age, race, or other such characteristics, and we hope to treat every colleague fairly and reasonably. To motivate employees’ continual efforts and contributions in their work, we have established multiple compensation incentive measures, including yearend bonuses, bonuses to mark the Dragon Boat Festival and Mid-Autumn Festival, and other rewards for employees, to recognize colleagues’ long-term work dedication and attention.

Internally, the Company has established the Employee Salary and Remuneration Payment Regulations, the Employee Bonus Issuance Regulations, and the Employee Remuneration Issuance Regulations, which clearly specify a reasonable salary and remuneration system. We have also established the Regulations on Employee Service and Reward and Punishment, which clearly specify the code of conduct required of employees as well as corresponding rewarding and punitive measures. Furthermore, we have established the Operation Directions for Health Examination Subsidies to encourage employees’ regular health examinations, the Directions for Employee’s License Subsidies and Incentives and Directions for Tuition Subsidies for Colleagues to Further Study Foreign Languages and Computers to enable employees to learn skills and improve their professional knowledge.

Retirement is handled according to the Labor Standards Act and Labor Pension Act, and a retirement system has been established. The Company has also established a Supervisory Committee of Business Entities’ Labor Retirement Reserve in accordance with the Labor Standards Act. This committee is responsible specifically for the safekeeping and application of workers’ retirement reserve funds. The Company sets aside 7% of average salary for those to whom the old labor pension system applies in the Bank of Taiwan on a monthly basis, and 6% of salary for those to whom the new system applies in the personal account of the Bureau of Labor Insurance according to the Labor Pension Act.

The Company maintains the competitiveness of its remuneration every year with reference to market salary levels to attract and retain excellent talent, and enable employees to grow together with the Company. IBF Financial Holdings has also set up a Remuneration Committee to regularly review and manage the policy for management remuneration and the reasonableness of individual remuneration. In addition to salary and remuneration, IBF Financial Holding Group also provides various benefits to comprehensively take care of its employees.

💡 The system of benefits provided by IBF Financial Holding Group to formal employees is as follows:



3.1.4 Actions and Effect of Promotion of Employee Rights and Benefits

Analysis of equal pay for equal work of IBF Financial Holding Group in 2022

Employee's rank	Average ratios of females and males (100 for females)
Basic salary of senior supervisor	100: 197
Basic salary of senior supervisor + Cash bonus	100: 395
Basic salary of the management	100: 143
Basic salary of the management + Cash bonus	100: 121
Basic salary of general colleagues	100: 77
Basic salary of general colleagues + Cash bonus	100: 73

💡 3.1.4.1 Workplace Health Protection

In consideration of the year-by-year increase of labor participation rate of women in Taiwan and low birth rate, the optimization of workplace health protection policies is not only a labor issue, but also a social security, women's rights, and gender equality issue. Only healthy women can give birth to and foster the next generation.

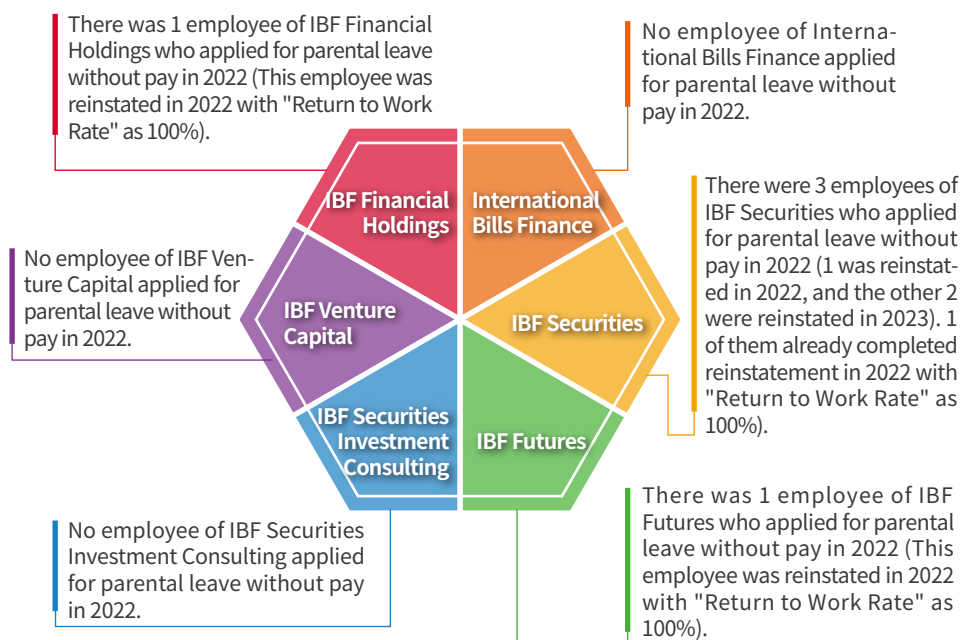
IBF Financial Holdings, International Bills Finance, and IBF Securities have established breastfeeding rooms to provide a comfortable space for female employees in the workplace in returning to their roles after giving birth so they may take care of their babies during work and help find a work-life balance.

International Bills Finance and IBF Securities have also signed a childcare plan with kindergartens, aiming at lowering the burden on employees in taking care of their children, promote the health of employees and their families, and reduce the obstacles encountered by parents, particularly women, in the workplace, thus improving self-worth and employment equality.

In addition, International Bills Finance and IBF Securities have signed nursing staff onsite service contracts with Summit Healthcare Co., Ltd. and Care2u Corporation, and listed pregnant employees and those returning to their roles following maternity leave or parental leave for priority visits by contracted caregivers and physicians. Such professionals provide health guidance, evaluate employees' health status, discuss health education related to childcare, and implement periodical tracking and management to assist female colleagues in alleviating parenting concerns.



Number of employees applying for parental leave without pay 2022



Statistics of parental leave without pay of IBF Financial Holding Group in 2022

	Female	Male	Total
(A) Number of Employees Eligible for Parental Leave	13	13	26
(B) Actual Number of Parental Leave Applications in 2022	5	0	5
(C-1) Number of Employees Expected to Be Reinstated in 2022 after end of parental leave	3	0	3
(C-2) Number of Applications for Reinstatement in 2022 after end of parental leave	3	0	3
Return To Work Rate (C-2 / C-1)	100%	-	100%
(D-1) Total actual number of reinstated employees after end of parental leave in 2021	2	0	2
(D-2) Total number of in-service employees 12 months after reinstatement from parental leave	1	0	1
Retention rate (D-2 / D-1)	50%	-	50%

Note 1: Return To Work Rate = (Number of reinstated employees/Number of employees supposed to be reinstated)*100%

💡 3.1.4.2 Employee Health Protection

▼ Health promotion

Dedicated to safeguarding employees' health and safety, IBF Financial Holdings optimizes measures for employee health care and workplace safety every year, provides annual health examination that is superior to the regulatory items, organizes health promotion activities, and advocates information on employee healthcare to create a healthy workplace environment. With respect to the results of employees' health examinations or their physical and mental health issues, the Group regularly cooperates with professional medical teams, and invites medical staff to visit the company sites regularly and provide employees with professional consulting services. Subsidiary International Bills Finance completed site medical services for 60 person-times in 2022, thus effectively helping employees maintain good health. As for maternal health protection, we have amended "Maternal Health Protection Plan" in the hope that a healthy, safe, and harmonious work environment can be provided, and colleagues can be assisted in health management. As a result, a happy workplace environment may be created.

Number of employees receiving health examination subsidy from IBF Financial Holding Group in 2022 as well as expenses therefore incurred

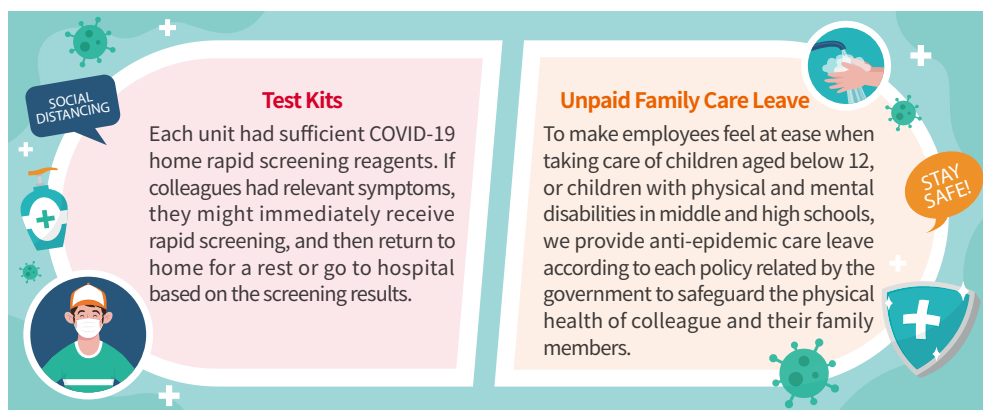
Item	Number of employees receiving health examination subsidy	Total expenses of health examination subsidy
IBF Financial Holdings	18	451,920
International Bills Finance	50	1,274,640
IBF Securities	88	259,975
IBF Venture Capital	9	74,000
IBF Securities Investment Consulting	13	116,000
IBF Futures	3	12,000
Total	181	2,188,535

▼ Healthcare

In response to COVID-19, IBF Financial Holding Group continued to implement epidemic prevention measures, social distancing, and personal hygiene protection to protect its employees. Highlights of epidemic prevention measures and precautions for social distancing of the Group are as follows:

- 📌 When entering the office areas for work every day, all colleagues should wear masks, take their body temperature in the morning and afternoon, and use alcohol-based cleaning hand sanitizer to lower the risk of viral and bacterial infections, and protect the health of themselves and colleagues.
- 📌 All colleagues may remove their masks when sitting at their own seats for work. However, if approaching others in relation to work, social distancing must be implemented and masks should be worn during discussion and interaction.
- 📌 Track the number and health status of employees at risk of COVID-19 (including those isolated at home, quarantined at home, and under independent management).
- 📌 When convening meetings or holding discussions in confined spaces, participants should wear masks.
- 📌 IBF University established dedicated online courses and post announcements at operating sites were issued to strengthen the advocacy of epidemic prevention.
- 📌 Disinfection work was implemented at operating sites; measures such as installing physical dividers (transparent plastic boards), and alcohol-based hand sanitizer, forehead thermometers, and other anti-epidemic facilities were provided.
- 📌 When entering or leaving the Company, visitors (e.g., clients, vendors, consultants, etc.) should wear masks, take their body temperature, and use alcohol-based hand sanitizer. The names of all visitors should be recorded (including name, contact number, and domicile). During level-three pandemic warnings, visits from visitors and vendors should be suspended.
- 📌 Coordinate with the government's rolling epidemic prevention mechanism, and flexibly start work from home, division of working hours, and non-local backup planning as well as practical drills.

▼ Epidemic prevention measures and subsidies



💡 3.1.4.3 Labor-Management Communication Channels

▼ Diversified communication channels

IBF Financial Holding Group is well aware that listening to employees' voices and maintaining two-way communication is key to successful corporate management. Therefore, it has established a long-term goal for a barrier-free communication mechanism in the workplace. We apply physical and digital tools to build an open-communication channel. Each company under the Group has established a variety of channels to communicate with employees, as described below:

— Direct reflection

Employees may directly reflect on various problems to their direct supervisors. Colleagues may communicate with management at any time in the workplace to ensure full and barrier-free communication.

— Labor-management meeting

IBF Financial Holdings, International Bills Finance, and IBF Securities regularly hold labor-management meetings through the Regulations for Implementing Labor-Management Meetings. Employees and management assign an equal number of participants to communicate opinions with each other and negotiate and solve problems to promote harmonious and co-prosperous labor relations.

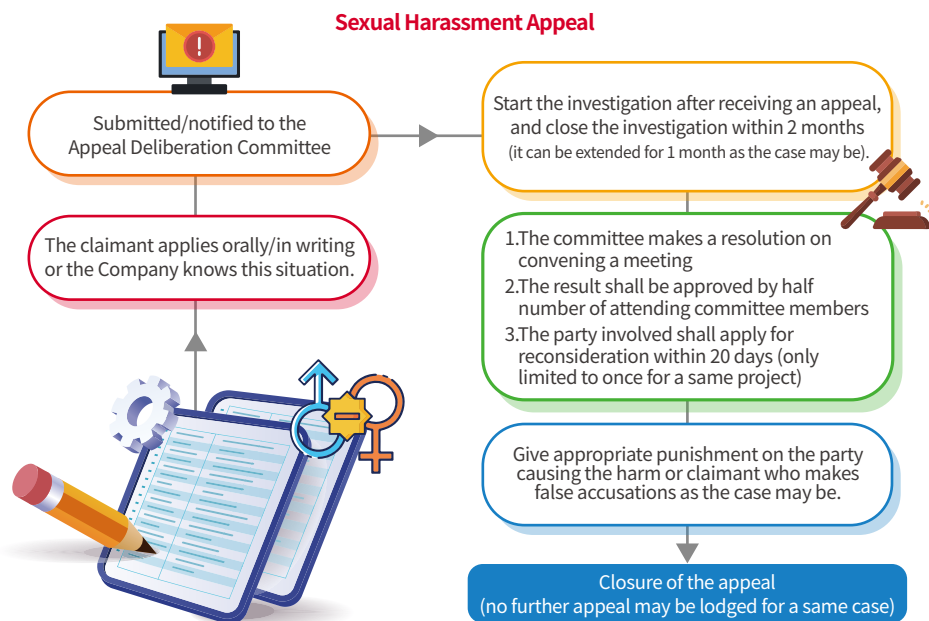
— Raising problems through the internal website, employee discussion zone, and employee suggestion box

We assign dedicated personnel to track and handle any suggestions or problems raised by employees. In addition, to ensure gender equality in the work environment, IBF Financial Holdings and most affiliates have already established a Sexual Harassment Prevention Hotline and Regulations for Sexual Harassment Control Measures, Complaints, and Disciplinary. A Sexual Harassment Complaint Handling Committee has also been established to take charge of matters related to sexual harassment complaints, investigations, and resolutions, and conduct advocacy and communication to improve employees' awareness of gender equality.



▼ Prevention of sexual harassment

The Company provides employees, contractors, technicians, and interns (collectively referred to as employees), and job seekers with work and service environments that are free from sexual harassment. We also take appropriate preventive, corrective, punitive, and handling measures to safeguard the rights, interests, and privacy of parties concerned. In accordance with Article 13-1 of the Act of Gender Equality in Employment and the Criteria for Establishing Regulations for Sexual Harassment Control Measures, Complaints, and Disciplinary in the Workplace, the Company has established the Regulations for Sexual Harassment Control Measures, Complaints, and Disciplinary as the basis for handling sexual harassment complaints and appeals. In 2021, we added provisions regarding the recusal of personnel participating in the handling, investigation, and deliberation of sexual harassment appeal cases during the investigation process.



IBF Financial Holdings implements relevant education and training courses to strengthen employees' understanding of sexual harassment control. We also send electronic texts to all employees for publicity and advocacy, and have established a dedicated zone to discuss gender equality. In 2022, one education and training session was held with 53 participants. In the contents of "Workplace Sexual Harassment Control" course, relevant sexual harassment control measures and appeal channels were promoted, and courses related to gender equality and sexual harassment control will continue to be planned to actively prevent, control, and severely punish perpetrators of sexual harassment.

Appeal management	Description of the mechanism	Number of cases applied in 2022 and improving measures	
		Number of cases applied in 2022	Improving measures
Sexual Harassment Prevention Hotline	IBF Financial Holdings has established the Regulations for Sexual Harassment Control Measures, Complaints, and Disciplinary according to the relevant regulations, and set up a dedicated unit, grievance hotline, and dedicated email; regular promotions of these measures are also provided through education and training.	There was no appeal of sexual harassment in 2022.	-

💡 3.1.4.4 Safeguarding of employees' rights and interests

▼ Employee engagement

The Company has established a harmonious and equal communication platform. All employees formally vote to elect labor representatives in each session, and management assigns management representatives, among whom all labor representatives are served by employees who do not serve as supervisors. Labor-management meetings are also convened every quarter to establish good labor relations. To safeguard labor relations and working conditions, the Company also provides the required notice period for redundancies according to the stipulations set out in the Labor Standards Act. In the event of a discontinuation of business, transfer, losses, or business downsizing, or if an employee is incompetent in their role, affected employees are given 10-30 days' notice depending on tenure of the termination of their employment contract.

Notice period	Seniority
10 days	More than 3 months but less than 1 year
20 days	More than 1 year but less than 3 years
30 days	More than 3 years

▼ Human rights protection

To protect human rights, IBF Financial Holdings supports and follows corresponding international conventions and principles on human rights, including the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the ILO Convention. In accordance with Article 18 of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Article 10 of the Sustainable Development Best Practice Principles of the Company, we started a study and draft from 2022 and expect to establish a Human Rights Policy in 2023 as the basis for the Company to safeguard employees' human rights. We also follow all labor-related regulations where the Company is located.

The Company has also established the Regulations for Sexual Harassment Control Measures, Complaints, and Disciplinary, and implements education and training of sexual harassment control every year to strengthen employees' protection and create a safe and harassment-free work environment. We also regularly assign labor representatives to hold labor-management meetings with management regarding employees' rights, interests, and welfare. Relevant measures and work rules have already been posted on the Company's internal website for employees' reference.

In 2022, we were not involved in any discrimination incident, child labor, forcing or enforcement of employees, or infringement upon employees' interests. The Company has established an Operating Process for the Prevention and Management of Unlawful Infringement in the Performance of Duties to safeguard employees' human rights and create a healthy and comfortable office environment.

Risk evaluation of human rights and managerial measures

Topic identification	Object	Represented indication and definitions	Risk value in 2022	Result of risk evaluation of human rights in 2022	Mitigation measure	Compensatory measure
Workplace diversified inclusion and equality	Employees with physical and mental disabilities	Sufficient employment rate of employees with physical and mental disabilities = Number of insured entities failing to employ enough employees with physical and mental disabilities in current year/Total number of insured entities	0%	Sufficient insurance, and thus judged as low-risk.	Establishing a friendly and barrier-free workplace for those with physical and mental disabilities.	- Employ employees with physical and mental disabilities according to the standards specified in relevant laws and regulations. - When employees with physical and mental disabilities cannot be employed, pay the subsidy expenses balance.

Topic identification	Object	Represented indication and definitions	Risk value in 2022	Result of risk evaluation of human rights in 2022	Mitigation measure	Compensatory measure
No child labor	New employees	Zero child labor employment	0%	No child aged below 16 was hired.	▶ Recruitment stage: Applicants shall specify the correct date of birth in their resume and sign to confirm. ▶ Registration stage: Employees shall have their identity certificates checked on the day of registration.	▶ Not applicable as employees' identification certificates are checked upon registration.
No sexual harassment	All employees	Occurrence rate of sexual harassment appeal cases = Number of employees involved in sexual harassment appeal cases internally accepted by the Company in the current year/Total number of employees	0%	No sexual harassment appeal case occurred in 2022, and was thus judged as low-risk.	▶ Establish highlights of the sexual harassment control measures, complaints, and disciplinary rules according to statutory and regulatory provisions. ▶ Establish a dedicated unit for appeals of sexual harassment as well as a grievance hotline and dedicated email to legally handle relevant cases. ▶ Hold relevant education and advocacy courses every year.	▶ Arrange immediate and effective disposal in the case of an employee's appeal. If a case is established, we will assist the claimant (victim) in arranging psychological consults, and punish the counterparty (the perpetrator) according to the work rules and reward and punishment measures.
Good labor relations	All employees	Rate of involvement in labor disputes = Number of employees involved in the labor dispute cases accepted by the competent authority in the current year/Total number of employees	0%	No labor dispute case occurred in 2022, and was thus judged as low-risk.	-	▶ Establish a personnel management system to ensure employees' rights and interests according to the provisions of relevant labor laws and regulations. ▶ Convene labor-management meetings on a regular basis. ▶ Set up diversified channels to accept employees' appeals.

3.2 | Employee Development and Training |

3.2.1 Significance of Employee Development and Training

One of the core competitive values of IBF Financial Holding Group is “professionalism”. We actively cultivate financial professionals to meet the ever-changing financial market. We refine the core functions of each employee through education and training and provide our clients with services tailored to their needs by talented individuals with professional financial knowledge and experience. Each entity within the Group has a training subsidy program. In addition to financial licenses, we also provide subsidies for educational degrees, language learning, computer skills, and overseas studies. We hope to encourage our employees to further their studies, and develop into all-around talent through such positive incentives.

3.2.2 Education and Training Policy and Plan

IBF Financial Holding Group places great importance on employees’ education and training, and adopts diversified courses for talent cultivation. International Bills Finance and IBF Securities are currently using e-learning. The duration of training sessions adopted by these two companies as well as the mode of training are as follows:

Statistics of E-learning in 2022

Category of course	Number of courses	Person-times	Man-hours
New employee training	13	1,132	734.5
Financial courses	24	8,000	16,814.1
Functional courses	30	7,710	10,058.9
Management courses	1	573	413.0
Advocacy of social engineering prevention	12	4,946	4,338.8
Advocacy of audit and check deficiencies	3	449	315.0
Total	83	22,810	32,674.3

Note: The figures above were the sum of IBF Securities and International Bills Finance.

➤ Contents of education and training

💡 International Bills Finance

— Online learning courses

The education and training provided by International Bills Finance are mainly divided into professional courses and statutory courses. Diversified learning channels include OJT, the e-learning platform, and physical courses. International Bills Finance is dedicated to developing into a learning-oriented organization. In 2015, it established an online learning platform which contained nine major categories and over one hundred courses. Through course production in the e-learning platform, professional knowledge can be updated and passed on in real-time to shape the Company into a learning-oriented organization. In 2022, International Bills Finance continued to produce and update relevant online courses on the Personal Data Protection Act, prevention and control of sexual harassment in the workplace, information security education and training, self-verification, the Financial Consumer Protection Act, and whistleblowing measures to comply with statutory and regulatory provisions.

— Project training courses

To improve employees' awareness of regulatory compliance, International Bills Finance organizes physical courses every year to comply with statutory and regulatory provisions, e.g., statutory training on occupational health and safety, personal data protection, and regulatory compliance. For courses requiring further education to acquire licenses and qualifications as stipulated, employees may participate in external professional agency training course, such as the Taiwan Academy of Banking and Finance and the Securities and Futures Institute.

— Internal extended learning

The Group has organized specific courses to enable employees to extend their learning. For example, International Bills Finance has established an education and training plan called the "2x2 Special Report". It arranges for colleagues to determine the themes of their reports independently every month and provides them with learning opportunities regarding data searching, briefing making, and logical analysis so that reporting and attending colleagues can offer their creative ideas on various topics, share experience, and enrich their personal vision through interactive discussion. The themes of the reports are not limited to the scope of financial specialties. Such practice is very creative in that the proposals submitted by new employees offer a different, generational perspective, and can spot potential business opportunities.

In 2022, due to the epidemic in Taiwan, only one session of the 2x2 Special Report was held.

▼ Themes of Education and Training of "2x2 Special Report" in 2022



💡 IBF Securities

Starting with a "Corporate University", IBF Securities is committed to establishing a learning-oriented organizational culture, and encourages employees to engage in continuous learning and growth. The Company provides diversified learning modes. It formally introduced digital learning in 2009, and planned the introduction of a new digital learning system in 2019. With a complementary model of digital and physical courses in combination with different functional needs, courses are classified into four major categories, i.e., financial courses, functional courses, management courses, and FinTech. Colleagues ranked at deputy manager level or lower are required to complete 20 credits of online learning and training courses every year:

— Financial courses

Financial courses involve a scope of finance-related professional knowledge including financial products, dynamic situations of financial markets, wealth management trends, and financial business areas. Specific courses include required courses for the brokerage business group (shelf products, marketing items, and audit and verification of operating specifications, etc.) and elective courses, such as general economic analysis, industrial economic analysis, investment outlook, futures and options, insurance and wealth management, and fund investment, etc.

— Functional courses

Functional courses involve soft skills, including client maintenance, service skills, marketing skills, prospectus writing, self-work efficiency, and efficiency improvement. Specific courses include prospectus writing, briefing skills, project management, and international etiquette, most of which are learned by individuals as elective courses. Courses with special purposes, including regulatory compliance (Personal Data Protection Act, Financial Consumer Protection Act, anti-money laundering and counter-financing of terrorism, penalty cases, and special topics on decrees), information security, and sexual harassment control, etc. are required courses.

— Management courses

Management courses involve organizational organization and management, including corporate culture, core values, performance management, and management by objectives. Specific courses include management by objectives, organizational management, and crisis management, etc. In consideration of current needs, the Company has decided to hold centralized physical required courses for specific supervisors (e.g., managers and backstage supervisors of branch companies).

— FinTech

The scope of FinTech courses includes payment and capital transfer technology, investment, wealth management and financial planning technology, data analysis and AT technology, lending and financing technology, blockchain, and encrypted currency technology. Specific courses include big data analysis, digital transformation, digital currency, AI application and development, and program transaction strategy, etc.

Ten digital courses are provided for training new employees, including the company profile, personnel rules and regulations, introduction to the organization, regulatory compliance, information security, audit and verification, risk management, and anti-money laundering. New employees ranked at deputy manager level or lower shall complete this training after registration.

IBF Securities has established the Work Highlights for the Implementation of Education and Training through the planning of learning at IBF University as the basic standard for the execution of each training activity. IBF Securities expects to cultivate and develop colleagues' knowledge, skills, and capabilities through an institutionalized and systematic implementation mechanism, and aims to ensure the effective utilization of training resources based on evaluation post-training. As a result, we can improve colleagues' working ability and efficiency, promote their personal career development, improve employee satisfaction and retention rate, and strengthen the overall image of the company regarding professionalism, service, and performance.



▲ IBF Securities held education and training for managers on October 15, 2022.

3.2.3 Duration of Education and Training

The total duration of employee education and training provided by IBF Financial Holdings and subsidiaries reached 60,966.7 hours, and per employee, 41.1 hours. The contents of education and training include general training of regulatory compliance, anti-money laundering, counter-financing of terrorism, and information security as well as another financial knowledge.

A. External training

Unit: Hour

Company	Management position		Non-management position	
	Male	Female	Male	Female
IBF Financial Holdings	51.0	81.0	212.0	140.0
International Bills Finance	1,074.5	201.0	1,348.2	1,065.3
IBF Securities	649.5	478.0	4,574.5	9,770.0
IBF Venture Capital	7.0	0.0	9.0	6.0
IBF Securities Investment Consulting	0.0	0.0	132.0	46.0
IBF Futures	99.0	57.0	241.0	248.0
Total	1,881.0	817.0	6,516.7	11,275.3

Note: The data statistics above do not include interns: besides, the non-supervisory employees of the Group are mainly defined as employees with rank below associate managers. For the non-supervisory of some companies, in addition to their rank below associate manager, they shall also simultaneously comply with the conditions that they do not receive supervisor's allowance, or serve as the supervisor and deputy supervisor of the department.

B. Internal training (including all physical and online courses)

Unit: Hour

Company	Management position		Non-management position	
	Male	Female	Male	Female
IBF Financial Holdings	48.0	15.0	152.0	142.0
International Bills Finance	392.8	73.5	1,032.3	758.7
IBF Securities	649.0	397.0	12,216.8	23,695.8
IBF Venture Capital	9.0	18.0	20.0	32.0
IBF Securities Investment Consulting	14.0	7.0	102.0	79.0
IBF Futures	77.0	57.0	241.0	248.0
Total	1,189.8	567.5	13,764.1	24,955.5

Note: The data statistics above do not include interns: besides, the non-supervisory employees of the Group are mainly defined as employees with rank below associate managers. For the non-supervisory of some companies, in addition to their rank below associate manager, they shall also simultaneously comply with the conditions that they do not receive supervisor's allowance, or serve as the supervisor and deputy supervisor of the department.

C. Statistics of education and training of IBF Financial Holding Group (Internal training + External training)

Unit: Hour

IBF Financial Holding Group	Management position		Non-management position	
	Male	Female	Male	Female
Total hours of IBF Financial Holdings (equal to total hours of Table A + total hours of Table B)	99.0	96.0	364.0	282.0
Total hours of International Bills Finance (equal to total hours of Table A + total hours of Table B)	1,467.3	274.5	2,380.5	1,824.0
Total hours of IBF Securities (equal to total hours of Table A + total hours of Table B)	1,298.5	875.0	16,791.3	33,465.8
Total hours of IBF Venture Capital (equal to total hours of Table A + total hours of Table B)	16.0	18.0	29.0	38.0
Total hours of IBF Securities Investment Consulting (equal to total hours of Table A + total hours of Table B)	14.0	7.0	234.0	125.0
Total hours of IBF Futures (equal to total hours of Table A + total hours of Table B)	176.0	114.0	482.0	496.0
Total hours of the Group	3,070.8	1,384.5	20,280.8	36,230.8
Average hours of the Group	511.8	230.7	3,380.1	6,038.5

Note: The statistics above do not include interns; non-supervisory employees of the Group are mainly defined as employees ranked lower than associate managers. Non-supervisory roles of some companies, in addition to being ranked below associate manager, also simultaneously comply with the conditions that they do not receive a supervisor's allowance, or serve as a supervisor and deputy supervisor of the department.

Education and training of anti-money laundering/counter-financing of terrorism in 2022

Unit: Hour

Name of company	Management position		Non-management position		Number of employees obtaining certificates of study
	Male	Female	Male	Female	
IBF Financial Holdings	21	27	42	27	6
International Bills Finance	396	78	279	228	234
IBF Securities	282.5	228	991	1,944.5	3
IBF Venture Capital	3	3	6	3	0
IBF Securities Investment Consulting	1	1	25	13	1
IBF Futures	55	28	19	26	7
Total	758.5	365	1,362	2,241.5	251

3.2.4 Employee Performance Management

IBF Financial Holdings offers its employees a complete stage where all the employees may give play to their professional functions, implement the strategic goals of the Group, exert the influence of the financial industry, and further promote social development. To this end, IBF Financial Holdings follows Employee Appraisal Regulations and adopts the communication work objectives and career development planning of employees and supervisors as the basis for the approval and granting of compensation and bonus and job adjustment in the annual assessment mechanism. All regular employees of IBF Financial Holdings receive performance assessment. In order to promote the long-term career development of employees, all regular employees of IBF Financial Holdings will have their compensation reviewed once every year in a fixed manner. The average range of salary adjustment in the recent three years was approximately 1%~2%. When increasing capital in 2022, the Group retained 10% of total shares for the allocation of shares available for subscription in consideration of factors like employees' ranks, performance and seniority, and invited employees to share the operating results.

Performance appraisal system of IBF Financial Holding Group

Name of company	Name of performance assessment measures	Object of performance assessment	Time of performance assessment
IBF Financial Holdings	Employee Appraisal Regulations	Supervisors and general employees who serve the company for half a year without interruption	January
International Bills Finance	- Employee Performance Appraisal Regulations - Directions for Employee Performance Indicators and Scoring	Supervisors who serve the company for half a year without interruption (unit supervisors and personnel with rank of grade 12 and above) and general employees (employees with rank of grade-11 senior deputy manager and below)	Yearend
IBF Securities	Employee Performance Appraisal Management Regulations	All employees (including personnel in probation period)	Assessed once every year, and implemented at the end of each year
IBF Venture Capital	Employee Appraisal Regulations	The company holds annual performance assessment of employees and staff at the yearend. The supervisors and employees who serve the company for half a year without interruption are assessed based on their service performance at ordinary times.	Yearend
IBF Securities Investment Consulting	Employee Performance Appraisal Management Regulations	All employees	The performance of previous year is appraised and assessed in each January.
IBF Futures	Work Rules of Employees	All employees	The performance of previous year is appraised and assessed in each January.



Chapter 4 Social Inclusion

4.1 | Financial Inclusion

4.2 | IBF Charity Foundation

4.3 | Welfare Activities of the Group

United Nations Sustainable Development Goals (SDGs)	Sustainable Performance in 2022
	✦ Provide door-to-door account opening service for the disadvantaged groups so that these groups can also enjoy financial services. ✦ Provide friendly measures for those with physical and mental disabilities and ensure that the design of the official website complies with the accessibility standard.
	✦ Subsidiary IBF Securities has continued to implement the Village Safety Box Friendly since 2015, and given away its monthly sacrificial materials, including rice, oil, canned food, solid food, seasoners and other necessities for people's livelihood, to the disadvantaged families, the elderly who live alone, and low-income households, etc.
	✦ Support "Financial Wisdom Promotion Program for College Youth" with the target audience being college youth who is about to set foot in society. A series of courses are designed in the Program for young people to develop the correct concepts and knowledge of financial management, and reduce the possibility of becoming underprivileged financial consumers in the future. ✦ Hold "Taipei Parents' Association for the Visually Impaired - Advocacy of Anti-Money Laundering" to share cases of fraud prevention with the visually impaired people and advocate financial knowledge through easy-to-understand interpretation. ✦ Donate to Taipei Parents' Association for the Visually Impaired to implement "Learning Support Program for the Visually Impaired" and "Advanced Training Program for Visually Impaired Perfumers", with the objective to assist the visually impaired people in cultivating their skills.
	✦ 200 loans were granted to SMEs with capital of NT\$ 100 million or below, and the credit limit was NT\$ 36.5756 billion, and the credit balance was NT\$ 22.0856 billion. The credit ratio reached 17.51%.

4.1 | Financial Inclusion |

"Financial inclusion is an enabler or accelerator of economic growth, job creation and social development." With the initiative of the United Nations, the concept of financial inclusion has gradually drawn attention and importance. Financial inclusion is intended to ensure that the general public can equally enjoy financial services. To realize the vision of financial inclusion, we need to rely on cooperation of the government and various social sectors. As the key strength and driving force of social development, the financial industry is entrusted with the responsibility of achieving financial inclusion, and providing affordable financial products and services needed by the general public. In recent years, the FSC has actively promoted financial inclusion, included it in national development plans, and expressly established the Measurement Indicators of Financial Inclusion in 2021. It has aligned policies with international initiatives, including those of the World Bank, the G20, and the APEC, to build a "people-oriented" financial system, showing the determination of Taiwan to realize financial inclusion, improve quality of life, and promote social public welfare.

In response to government's policy and social expectations, IBF Financial Holding Group is dedicated to improving the three aspects of financial inclusion: accessibility to financial services, usability of financial services, and quality of financial services. By holding financial seminars and lectures, we try to eliminate the gap in financial knowledge. We have also increased the number of lending cases for Small and Medium Enterprises (SMEs) year by year to narrow the gap between the rich and poor. We also apply FinTech to lower costs for clients to acquire financial services, and provide friendly financial services for underprivileged financial consumers. Moreover, the Social Welfare Charity Foundation under IBF Financial Holding Group pays close attention long-term to issues concerning the elderly and education for children in remote rural areas, and supports disadvantaged groups through practical action to maximize shared value for society, realize sustainable development goals, and improve social and economic development.

4.1.1 Promotion of Improvement of Financial Knowledge and Promoting Actions

➤ Sponsorship of academic seminars in colleges and universities

- The 16th NYCU International Finance Conference held by the Foundation of Pacific Basin Financial Research and Development in 2022

IBF Financial Holding Group sponsored the NYCU International Finance Conference where the theme of “Investment Analysis, Portfolio Management, and Financial Technology” was discussed. The scope of this conference included “Leading Economic Indicators and Business Cycles in the United States”, “ESG and Corporate Sustainable Development”, “Big Data and Machine Learning for Finance and Accounting Research”, “Insurance Markets and Products”, “Auditing and Internal Capital Market Efficiency”, and “Topics in Financial Econometrics”. The Group sponsored a total of NT\$ 50,000 for this event.

- The Annual Meeting and International Conference of the Taiwan Finance Association in 2022

IBF Financial Holding Group sponsored the academic activities of Finance, National Taiwan University. Top scholars specializing in finance were invited to serve as keynote speakers and share the theme of “Big Data, ESG, and Financial Sustainability”. In addition to academic seminars, we also held practical forums to combine theory with practice, inspire industry-government-university communication and cooperation in Taiwan, and help Taiwan to go global. The Group sponsored a total of NT\$ 95,000 for this event.

➤ Advocacy of financial knowledge to disadvantaged groups

IBF Financial Holding Group leverages the essence of the financial industry. In addition to establishing the correct concept of financial consumption for the general public, the Group actively advocates financial knowledge to disadvantaged groups and cultivates correct concept and knowledge of financial management to establish independent financial objectives. On December 20, 2022, International Bills Finance and the IBF Charity Foundation jointly held the “Taipei Parents’ Association for the Visually Impaired – Advocacy of Anti-Money Laundering” event which saw 15 visually impaired people in attendance. The event aimed to share cases of fraud prevention with visually impaired people and advocate financial knowledge through easy-to-understand interpretation. In the future, IBF Financial Holding Group will continue to pay attention to disadvantaged groups that lack banking services, have a positive influence, and fulfill its financial inclusion responsibility.



➤ Promotion of the “Seed Education and Training Program”

Understanding the importance of talent cultivation, IBF Financial Holding Group encourages students to spend their spare time learning about industrial practices as early as possible and assists them in building a solid foundation of financial knowledge. It sponsored a total of NT\$ 100,000 for the “19th Seed Talent Training Program” of the Little Aid from Everyone Organization and provided students who desired to jump out of their comfort zone and increase their cross-domain experience with an opportunity to grow. We are dedicated to cultivating new talent with comprehensive financial knowledge and capabilities.

➤ Supporting the industry-government-university economic summits

IBF Financial Holding Group attends financial summits, and gathers world-famous industry-university experts, government officials, and industry leaders to jointly attend and share economic trends, financial policies, and other topics to provide participants with insights and forward-looking information. In 2022, IBF Financial Holding Group sponsored Bellwether International Group, the Cross-Strait CEO Summit, and the Chung-Hua Institution for Economic Research in holding multiple academic communication summits, including:

- A donation of NT\$ 179,550 for the international academic communication activity held by Bellwether International Group in 2022
- A business donation of NT\$ 100,000 for the Cross-Strait CEO Summit in 2022
- Sponsorship of NT\$ 350,000 for the 2022 Chung-Hua Financial and Economic Forum of Chung-Hua Institution for Economic Research in 2022

➤ Holding diversified financial lectures and courses

To improve clients' understanding of stock markets and financial products, subsidiaries of IBF Financial Holding Group, including IBF Securities, IBF Futures and IBF Securities Investment Consulting, actively hold physical financial lectures and online analysis lectures to popularize financial knowledge.

💡 IBF Securities

To improve colleagues' and clients' knowledge of professional securities and familiarize them with new products and systems, IBF Securities holds various kinds financial lectures. In 2022, it held 112 online and physical lectures in total, with themes covering the outlook of Taiwan stocks in 2023, an introduction to each electronic order placement system of IBF, and an introduction to popular financial products, etc.; totaling approximately 10,881 participants.

💡 IBF Futures

IBF Futures actively participates in school tour lectures and talent solicitation activities organized by the Chinese National Futures Association regarding the future development and job opportunities of the futures industry, as well as lectures intended for education promotion of investors in futures exchange to improve the visibility of IBF Futures and show its professional services and business operations.

May 2022: Futures Exchange – Courses for Traders:

- Course for Traders in May 2022 – Knowing Futures and Options
- Course for Traders in May 2022 – Trading Practice of Futures and Options (I) (II)



💡 IBF Securities Investment Consulting

To master industry information, IBF Securities Investment Consulting cooperated with IBF Securities to hold multiple physical tour lectures and online analysis lectures. They held 25 lectures in 2022. By popularizing financial knowledge on Taiwan stocks in coordination with clients of the branch company, and communicating and sharing investment experience with clients, the company gave clients more opportunities to pay attention to stock markets and research finance.

➤ Promotion of financial knowledge communities

— Publicity on self-owned media, website, and app

IBF Futures, a subsidiary of IBF Financial Holding Group, provides option reports and timely messages every day. Financial knowledge may be popularized through diverse channels, including the official website, the “Wealth Management e-Steward” app, and consulting strategy platform, and relevant audio-visual learning platforms have been established to benefit community operations and client education. An electronic newspaper is sent to clients who agree to receive such information, and exposed in each mainstream newspapers and media.

- Provide an audio-visual “Major Options Course: 100 Chapters” on the official website, and provide investors with online learning resource courses covering basic knowledge, use of platform, and product introduction.
- Establish a consulting strategic platform of IBF Futures to provide clients with diverse strategic choices.



— Economic column in the media

IBF Financial Holding Group sponsored a project fund of NT\$ 315,000 to “Master Forum” of Up Media in 2022 to discuss finance issues through special columns, introducing investment strategies, wealth management skills, and risk management, etc., and master political and economic trends across The Strait with a macro perspective.

4.1.2 Promotion of SMEs Development

Global economic development is accompanied with increasingly serious issues, such as the gap between rich and the poor and unequal distribution of wealth. The United Nations proposed the concept of financial inclusion in 2005; the essence of this concept is to provide equal access to financial services for the general public. The National Development Council has already included “Promotion of Financial Inclusion” in the national development plan for 2021 to 2024. The FSC expressly established the Measurement Indicators of Financial Inclusion in 2020 with reference to the G20 Financial Inclusion Indicators System and using the development status of Taiwan’s financial market as the basis. Focusing on the three aspects of accessibility, usability, and quality, we evaluate the development status of financial inclusion in Taiwan and the implementation effect of policies, and encourage the financial industry to continually launch financial services that satisfy the needs of everyone to promote social equality and growth. To realize the vision of “financial inclusion”, we need to rely on cooperation between government, financial institutions, and all social sectors, and make finance truly “inclusive” to meet the needs of each social class and become an important driving force in improving social happiness.

As of December 31, 2022, International Bills Finance granted 200 loans to SMEs with a capital of NT\$ 100 million and below. The credit limit was NT\$ 36.5756 billion, and the credit balance was NT\$ 22.0856 billion. The credit ratio reached 17.51%.

4.1.3 Equal Use and Promotion of Financial Service Policy

To provide clients with high-quality services, IBF Financial Holding Group provides financial information to client groups with different attributes so clients can rely on and develop a sense of identity for us to establish a win-win, trusting relationship. To enable people with physical and mental disabilities enjoy convenient financial services, and provide them with a barrier-free financial environment, IBF Financial Holding Group has launched multiple friendly digital services, described as follows:

💡 Establishment of barrier-free spaces in subsidiaries' operating sites

To ensure that people with physical and mental disabilities fully enjoy their basic rights, and to create an inclusive and friendly environment, IBF Financial Holding Group provides appropriate financial service measures based on the needs of people with physical and mental disabilities, including plane ramps at building entrances of operating sites, braille push buttons, floor voice prompts in elevators.

💡 Setting of a dedicated zone for financial friendly services on the official website

IBF Financial Holding Group is dedicated to providing barrier-free online services so that all users can easily acquire the financial information they need. Subsidiaries IBF Securities, IBF Futures, and IBF Securities Investment Consulting have already set up a dedicated zone for financial friendly services. IBF Securities ensures that the design of its website complies with accessibility standards, and provides webpage location points, a clear site navigator, and access key. IBF Futures also provides online cloud e-account opening services and online transaction application services for each product so customers can avail of such services from the comfort of their own homes.

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網站導覽
國泰證券提供身心障礙朋友們溫馨、友善的投資環境，致力打造無障礙金融服務，特設置「金融友善服務專區」，若您有任何金融服務上的問題，請洽客服中心，將由專人為您服務！
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4.2 | IBF Charity Foundation |



Website of the IBF Charity Foundation: <https://ibfc.org.tw/>

Incorporated by International Bills Finance Corp. in November 1998, the IBF Charity Foundation adheres to the concept of paying back to society in the long term, supports and aids disadvantaged social groups, and provides various subsidies, including funding resources, long-term.

When observing the gradual movement of Taiwan to an aging society and the continual widening of gap in wealth distribution, the Foundation is determined to provide care and support for elderly people, handle emergency and disaster relief work for people with low incomes, and provide medical subsidies for people stricken by poverty and those with physical and mental disabilities to stably help disadvantaged social groups that lack due attention, and practice the concept of paying back to society.

4.2.1 Public welfare results in 2022

To care and support the quality of life of elderly people and cultivate expertise of disadvantaged groups, people with physical and mental disabilities, and dependents, the IBF Charity Foundation has handled donations for charity and welfare causes involving a total of over NT\$ 2.5 million in 2022. The donations of the Foundation in the recent three years are listed as follows:

Item	2020		2021		2022	
	Donated amount (NT\$)	Benefited person-times	Donated amount (NT\$)	Benefited person-times	Donated amount (NT\$)	Benefited person-times
Welfare for the elderly	791,200	7,333	807,030	1,758	300,000	184
Welfare for children	616,311	220	1,499,472	983	800,000	238
Medical services for poverty-stricken people and people with physical and mental disabilities	682,756	151	1,431,870	3,597	886,000	244
Emergency and disaster relief	30,000	1	-	-	30,000	1
Welfare for teenagers	833,560	852	900,000	979	500,000	485
Total	2,953,827	8,557	4,638,372	7,317	2,516,000	1,152

4.2.2 Review of Public Welfare Activities in 2022

📍 Donation to the Angel Heart Family Social Welfare Foundation for the implementation of the “Renovation of Wenshan Service Location” project

About 810,000 families in Taiwan face difficulties in caring for family members with physical and mental disabilities, and about 51.39% of caregivers are not provided with replacement carers. 55% of caregivers are impacted by long-term caring work. To enable people with physical and mental disabilities to obtain care locally without having to travel far, and help their parents and siblings adapt psychologically, rest, overcome difficulties with families, and provide care to adults with physical and mental disabilities after leaving campus, the Foundation assisted with the revocation of the Wenshan service location of the Angel Heart Family Social Welfare Foundation, provided care for those with physical and mental disabilities living nearby, and assisted families in rebuilding their families and navigating society.



▲ Renovation of Wenshan Service Location

📍 Providing suspected AIDS infants with complete care and giving them a warm home

At the end of August 2022, there were 42,984 HIV-infected patients, among which 2,196 were females. Without a stable job and requiring access to medication, most are unable to take care of their children. Only a few childcare facilities in Taiwan are capable of caring for children potentially having HIV. Children may therefore be temporarily left in hospitals. The IBF Charity Foundation donated to the Garden of Mercy Foundation to implement the “Love My Baby – Baby Center Service Enhancement” program. This program provides professional medical services, daily care, and special care for children suspected of having HIV aged 0-12 months as well as infants without special medical needs, including withdrawal sequela caused by drug-addicted HIV-infected mothers, or early treatment needs resulting from negligence. It is hoped that these children can strengthen their physical and mental abilities under sound care, and reduce the risk of infection to grow up healthily and happily.

📍 Assisting Ruisui Township, Hualien County, in building a multi-functional care center for elderly care

Hualien County is now facing the challenge of an aging society, and the proportion of the elderly population in Ruisui Township is as high as 24.37%. It has already entered “super-aging society” stage, but lacks a multi-functional care center. Local residents are in urgent need of long-term care service resources. The IBF Charity Foundation pays attention to daily and long-term care of the elderly, and hopes to assist the elderly in receiving proper care nearby through the establishment of the Ruifu Multi-functional Day Care Center, complete with accessible facilities, diverse health promotion activities, lectures on medical care, and the provision of rehabilitation facilities. The pressure and mood of family members when taking care of elderly relatives also eases with facilitates and support such as this, so they can balance their caring responsibilities with work. As a result, not only elderly individuals who live alone and disabled people can receive better care, but family members who look after them can take time to rest.



▲ Accessible facilities - Walk-in bathtub



▲ Vision enlarging machine helping the elderly read

📍 Donating to the Taipei Parents' Association for the Visually Impaired for the implementation of the “Learning Support Program for Visually Impaired People” and “Advanced Training Program for Visually Impaired Perfumers”

Visually impaired people face difficulties with learning, and lack visual assistance, making it difficult for them to acquire learning information, potentially leading to frustration during the learning process, and limiting job opportunities. The IBF Charity Foundation donated brand-new teaching materials for visually impaired people as well as auxiliary facilities to the Taipei Parents' Association for the Visually Impaired, including dot film printing tables and dot graphic printers, to provide visually impaired people with more learning resources and options to manage textbooks, extracurricular books, and advocacy manuals.



▲ Training course for visually impaired perfumers

In addition, according to statistics of the Ministry of Labor, the employment rate of visually impaired people is only 17%, which is much lower than the average employment rate of people with physical and mental disabilities. The IBF Charity Foundation discovered that visually impaired people are sensitive to odors, and thus donated to this association a plan for professional and exclusive fragrance courses so visually impaired people can acquire international perfumer licenses, develop professional skills, and create jobs. All-round education support and job opportunities are provided to visually impaired people to help them overcome obstacles, fulfill their potential, and gain respect and recognition in society.

📍 Donating to the Financial Literacy & Education Association (FINLEA) for the implementation of the Financial Wisdom Promotion Program for College Youth

About one fourth of college graduates in Taiwan graduate from departments related to business administration every year, and the remaining three fourths of students do major in this area, and do not have a lot of opportunities to learn finance-related knowledge during schooling. Therefore, most graduates need to learn how to manage their finance and use financial services after they enter the workplace; it can be very challenging. Therefore, the IBF Charity Foundation hopes to cooperate with Financial Literacy & Education Association for the implementation of the Financial Wisdom Promotion Program for College Youth, in which a series of courses are designed to cultivate correct knowledge of finance and wealth management for young people entering the workplace, and assist them in thinking about how to plan their future income and establish independent financial objectives. The aim is for students to reduce the possibility of becoming underprivileged financial consumers in the future by establishing a correct understanding of finance.

In 2022, the Financial Wisdom Promotion Program for College Youth was lectured to 15 classes in 10 colleges and universities, for example, the “Money and Life of College Students” series lectures which benefited 518 people.



▲ Promotion of education of finance related courses



4.3 | Public Welfare Activities of the Group |

📍 IBF Securities-Village Safety Box Friendly Plan

IBF Securities adheres to the concept of paying back to society and caring about disadvantaged groups. To care for local disadvantaged groups, IBF Securities continued to implement the Village Safety Box Friendly Plan in 2022, and asked residential committee directors to provide sacrificial materials purchased by IBF Securities on the second day and the sixteenth day of each month, including rice, oil, canned food, solid food, seasonings, and other necessities for people's livelihoods to disadvantaged families, elderly people who live alone, and low-income households, demonstrating care through practical action and corporate social responsibility. In 2022, 50 households received giveaways totaling NT\$ 114,840.



The "Make-A-Wish Funfest, Welcome Onboard" of IBF Financial Holding Group



A group photo of President of IBF Financial Holdings and President of Make-A-Wish Taiwan



A group photo of colleagues of IBF Financial Holding Group

IBF Financial Holding Group spares no effort in supporting disadvantaged groups. The Social Welfare Charity Foundation under IBF Financial Holding Group expanded its cooperation with Make-A-Wish Taiwan this year and sponsored the Make-A-Wish Funfest to provide Make-A-Wish families with an opportunity to meet and let Make-A-Wish children (critically ill children who realize their wishes through Make-A-Wish Taiwan) and their family members get to know each other families to encourage support for each other, ease anxiety, and inspire strong vitality.

The Make-A-Wish Funfest was held at the outdoor venue of Huashan 1914 Creative Park, and saw many interesting and diverse activities. In addition to the participation of Make-A-Wish children in the performance, volunteers also took the lead in handcraft activities, lucky draws, and treasure hunting games. Street artists were invited to perform to create a joyful atmosphere on site. Several employees of IBF Financial Holding Group also served as volunteers. IBF Securities assigned personnel to set up stalls at the market, and organized dart games for adults and children. The Company's influence was felt, and more people felt encouraged to see the benefit of caring for disadvantaged groups and offer them support.

IBF Financial Holding Group hopes to use this Make-A-Wish Funfest to showcase the power of social love and care, and inject more color and hope to Make-A-Wish families so they feel the beauty of society, and inspire their passion for life.

IBF Financial Holding Group sponsors the "Dream Implementation Project for Critically Ill Children"

Adhering to the concept of giving back to society and caring for disadvantaged groups, IBF Financial Holding Group engages in care for critically ill children and their families by supporting the charitable activities of Make-A-Wish Taiwan through practical action. After sponsoring in 2021, the Group joined hands again with Make-A-Wish Taiwan in 2022 to help critically ill children fulfill their dreams.

This dream implementation plan intends to spread love. Colleagues from IBF Financial Holdings and personnel from Make-A-Wish Taiwan visited Make-A-Wish families and held a series of level-breaking activities for critically ill children who were unable to run like other children.

They also prepared the gifts the children wished for in advance, and the children opened them at the end and saw their wishes come true, demonstrating the Group's commitment to practical action and core values. We hope to continue to cooperate with communities in the future and bring more changes and hope to society.



Participation of IBF Financial Holding Group in the dream implementation plan of critically ill children



Participation in level-breaking activity in the dream implementation plan with the critically ill children



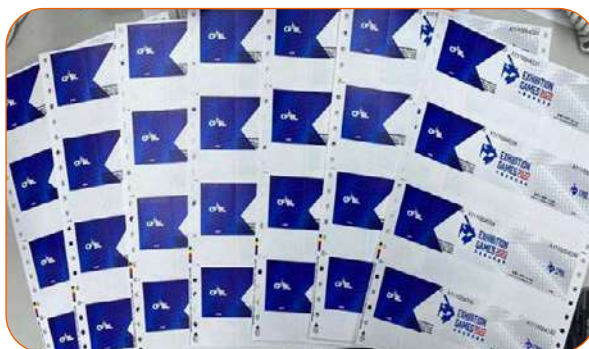
Make-A-Wish children uncovering the gifts

"2022 CPBL Official Warmup Match and Season Opening Publicity Cooperation" of IBF Financial Holding Group

Due to the impact of the COVID-19 pandemic in the past two years, many sports events in Taiwan were suspended or postponed. To support the sustainable development of baseball games in Taiwan, IBF Financial Holding Group tried to continue holding baseball games in Taiwan through the pandemic; IBF Financial Holdings and International Bills Finance were able to participate in the "2022 CPBL Official Warmup Match and Season Opening Publicity Cooperation" to fulfill their corporate social responsibility and sustainable development, and for the CPBL of Taiwan to continue to align with the international community and receive due recognition for Taiwan in supporting the development of professional baseball games in Taiwan.



▲ Kickoff by VIP in the warm up match



▲ 50 free tickets



Chapter 5 Environmental Performance

5.1 | Climate Change Governance Structure

5.2 | Climate Change Risk Management

5.3 | Risks and Opportunities of Climate Change

5.4 | Scenario Analysis for Climate Change

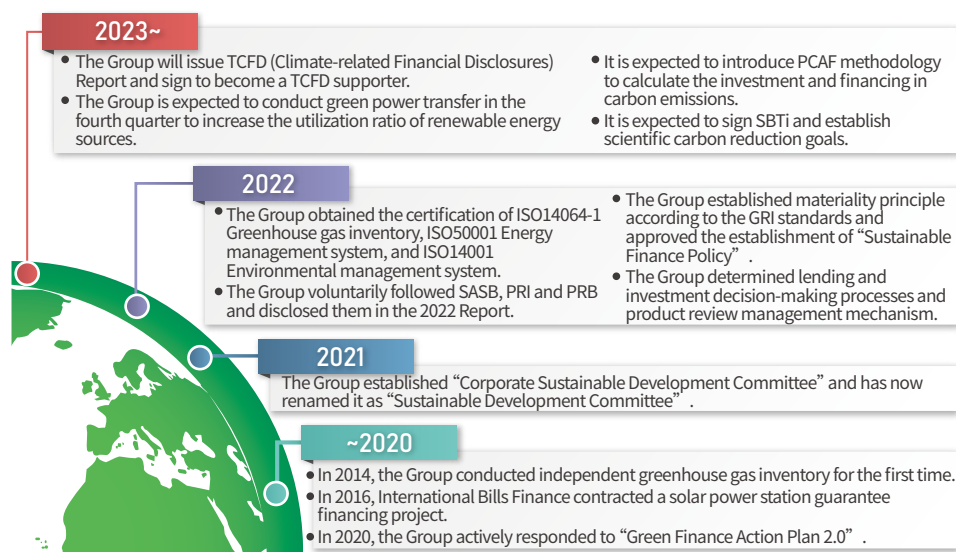
5.5 | Sustainability of Operating Environment of IBF Financial Holding Group

United Nations Sustainable Development Goals (SDGs)	Sustainable Performance in 2022
	✦ The annual greenhouse gas emissions of IBF Financial Holding Group were reduced by 4.78% compared to 2021. ✦ The total power consumption was down by 0.57% compared to 2021, which was equivalent to a reduction of 19.50t of carbon emissions. The annual reduction rate reached 0.59%. ✦ The consumption of tap water was up by 5.38% compared to 2021, resulting from the strengthening of anti-epidemic work (including water consumption increases due to increased hand washing and office cleaning and disinfection). However, carbon emissions were reduced by 37.17%. ✦ The fuel consumption of company cars increased by 4.81% compared to 2021, mainly resulting from an increase of the use of company cars by subsidiary IBF Securities due to the business demand post-pandemic.

Environmental protection is an important process of corporate social responsibility. In view of the new wave of the global green pulse and even though the finance industry is a low-pollution industry, to care for the Earth and respond to global climate change IBF Financial Holding Group not only continues to implement environmental protection measures, actively promote energy conservation and carbon reduction, and respond to SDG13 Climate Action, but also coordinates with the government's policies of Taiwan's Pathway to Net-Zero Emissions in 2050 and the Green Finance Action Plan 3.0 to support low-carbon transformation, expand investment and financing in renewable energy or green industries, and develop innovative and sustainable financial services.

IBF Financial Holding Group has adhered to the management philosophy of "Trust, Efficiency, Innovation" in the longterm. In addition to the creation of corporate values and the pursuit of maximum interests for clients, shareholders, and employees, the Group also profoundly realizes the risks and potential impact brought by climate change, and has adopted concrete action plans to respond to identified climate risks and opportunities. In 2022, following the TCFD framework, we established a climate governance mechanism to disclose climate-related information across four scopes, including governance, strategy, risk management, and metrics and targets. In accordance with different businesses of the Company, we carry out short-term, mid-term, and long-term identification and evaluation of climate risks and opportunities. Relying on climate matrixes, we can identify relatively important climate risks, include them in management cost evaluations and financial impact analyses, and establish adaption and mitigation actions to address such risks. We have also established strategic action plans based on climate opportunities to understand business opportunities.

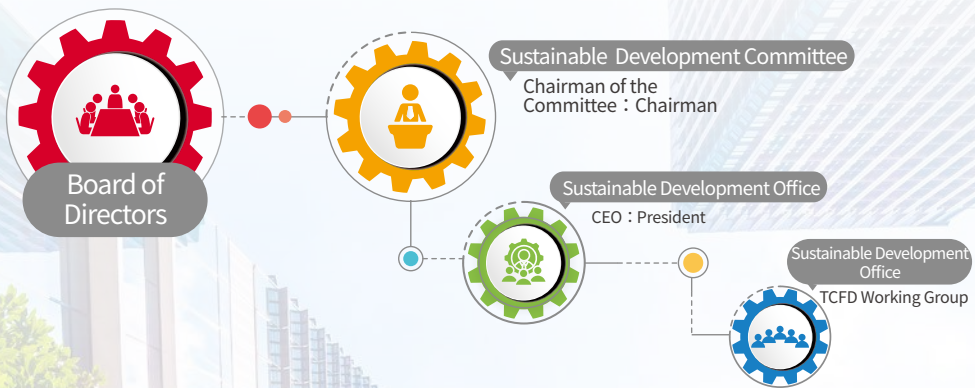
➤ Climate change actions



5.1 | Climate Change Governance Structure |

To understand the risks and opportunities brought by climate change to operations and financial assets, IBF Financial Holdings has established a Sustainable Development Committee and eight working groups. TCFD Working Group is responsible for promoting climate-related strategies, and identifying and managing climate-related risks and opportunities in each business to improve overall climate resilience.

IBF Financial Holdings also believes that climate-related financial disclosures benefit the stability of the financial market. Therefore, it has followed the TCFD framework and gradually established a climate governance mechanism. To effectively achieve this goal, the Company has included climate change risks in the Company's strategies to promote sustainable action.



5.2 | Climate Change Risk Management |

The Group discloses the governance of climate-related risks and opportunities, actual and potential impacts related to climate, approaches to identify, evaluate and manage climate-related risks, and metrics and targets used to evaluate and manage climate-related issues as follows. For the financial disclosures of climate-related risks, you may refer to the TCFD Report of the Group:

➤ Corporate governance

Implementation results	▶ The Company has established a Sustainable Development Committee under the Board of Directors. The Chair is responsible for convening and serving as chair of this committee to draft, promote, and maintenance relevant environmental management systems and specific action plans. ▶ A task-oriented organization of the Sustainable Development Office and eight functional groups have been set up under the Sustainable Development Committee, including the Responsible Investment Group, Responsible Finance Group, Social Welfare Group, Client and Product Group, Employee Issues Group, TCFD Working Group, Environmental Issues Group, and Corporate Governance Group; chair CEO of the committee is the President of the Company, while leaders of other groups are supervisors of the Company or subsidiaries. ▶ The Sustainable Development Office and each functional group are responsible for implementing projects related to sustainable development and climate change actions, and regularly submit climate-related issues to the Board of Directors (every half year). The contents of the proposals include the progress of greenhouse gas inventory and planning of sustainable finance policies of the Group. They also regularly explain the implementation status to the Board of Directors.
Future planning	▶ Plan corresponding education and training themes according to different climate change issues proposed by the Board of Directors, senior management, and employees.

➤ Strategy

Implementation results	▶ The Company has adopted a questionnaire to identify the climate risks and climate opportunities of the Group according to the guidance of climate risk financial disclosures released by the competent authority, and supported green industries with its core financial functions in response to the promotion plans adopted by the government for Six Core Strategic Industries. See Chapter 2.5 Sustainable Finance of this Report for details. ▶ The Company has selected seven industries, i.e., chemistry, petroleum and natural gas-exploration and exploitation, metal and mining, building materials, aviation, power utilities and power generation, iron and steel manufacturing, as high-emission industries in accordance with industrial classification of the SASB. If targets of investments belong to these seven industries, the Company will further evaluate the trends of greenhouse gas emissions of these targets in the recent three years, and their climate change efforts as basis for responsible investment decision-making. ▶ IBF Financial Holdings amended the Measures for Risk Management in November 2022 to include climate-related risks in the scope of risk management. It was mentioned in this regulation that the Company and each subsidiary should incorporate potential risks due to climate change of corporate operations and finance in existing risk management processes based on their industrial characteristics. ▶ The Company has implemented energy conservation and carbon reduction planning, replaced the lighting equipment in the offices with LED lamps, popularized a paperless office environment, and is gradually replacing meeting notes traditionally printed in writing with information technology to reduce the paper consumption. ▶ In the official environment of the Company at ordinary times, the air-conditioning system is controlled by computer. The cooling temperature is set to 26°C, and the cooling air supply stops automatically at 20:00. Sensor faucets are used in toilets to avoid wasting water resources. Unnecessary lighting is turned off at the daily noon break to reduce power consumption. ▶ In 2022, the Company purchased products with environmental labels, energy-saving labels, and water-saving labels, as well as green building materials and recyclable paper to actively respond to green procurement and support the changes driven by sustainable consumption.
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Future planning	▶ The Company will improve the ratio of green building materials used in self-owned buildings or construction projects undertaken by branch companies, and purchase new energy-saving equipment to improve energy utilization efficiency to realize energy conservation and carbon reduction, increase the consumption of renewable energy sources, lower operating costs, and achieve environmental protection benefits. ▶ In response to the international trend of sustainable finance, the Company and its subsidiaries will continue to develop low-carbon products and services, and provide relevant green financial services, e.g., underwriting of sustainable bonds, to develop new business opportunities. ▶ The main issues of climate-related risks identified in 2022 included the raised threshold of short-term investment and financing activities and failure to timely respond to sustainable financial needs in the medium term; the issues of climate-related opportunities were mainly digital finance services that could be developed within the short term as well as the development of green financial services. In the future, strategies will be drafted to address possible financial impacts resulting from material issues, and climate risk factors will be gradually included in the investment and financing decision-making processes.
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➤ Risk management

Implementation results	▶ Climate risks and opportunities have been identified, among which the top three climate opportunities were “digital finance services”, “development of green financial services”, and “renewable energy and green buildings”, and the top three climate risk issues were “raised threshold of investment and financing”, “company’s failure to timely respond to sustainable financial needs”, and “rising sea levels”. ▶ Each subsidiary has identified, measured, and monitored climate risks according to the progress of the planning of the parent company, i.e., IBF Financial Holdings, and gradually set up key indicators for the management of climate risks and opportunities, as well as implemented climate risk management in accordance with three lines of defense in the internal control system. ▶ The Company has currently established a list of high-emission industries at Group level, and will regularly calculate the balance of risk exposure. In the future, the Company will evaluate the gradual reduction of the ratio of risk exposure to lower relevant risks.
Future planning	▶ The Company defines high-emission industries of the Group and regularly gathers risk exposure of investment and financing statistics in high-emission industries. In the future, the Company plans to set up short-term, mid-term, and long-term objectives for greenhouse gas emissions, and gradually plan inventory checks of carbon emissions of investment and financing portfolios as metrics for control. ▶ The Company will check operating sites, identify whether the risk of rising sea levels in the location of each site has a potential impact on the business, and draft relevant actions. ▶ The Company will continue to evaluate the negative impacts potentially imposed by climate risks on the overall objectives of the Company according to the Measures for Risk Management, and develop quantified methods for climate-related risks and disclose relevant risks as reference for operation management decision-making.

➤ Metrics and targets

Implementation results	▶ To fulfill corporate social responsibility, the Company and its subsidiaries have started actively advocating environmental education and urged employees to jointly respond to the implementation of energy-saving measures. In 2022, the carbon emissions from greenhouse gas emissions of the Company reached approximately 4,387.59t CO₂e with emissions per capital of 2.77t CO₂e, down by 4.78% and 5.46% respectively compared to 2021. ▶ Nearly 75.16% of greenhouse gas emissions were centralized in power emission sources in 2022. 3,297.56t CO₂e was emitted in total, down by 0.59% compared to 2021.
Future planning	▶ Since the greenhouse gas emission sources generated in the operation of IBF Financial Holding Group are mainly indirect emissions from electric power, it has currently adopted energy-saving measures for the air-conditioning and lighting systems, and planned to evaluate the procurement of green electricity in the first quarter of 2023 and introduce green power transfer from the fourth quarter. With 2022 as the base year, the total carbon emissions shall be reduced by 2% on average compared to the base year, and the short-term target of reduction of 16% of greenhouse gases will be achieved by 2030. ▶ The Company has established the long-term target of realizing net-zero carbon emissions by 2050.

5.3 | Risks and Opportunities of Climate Change |

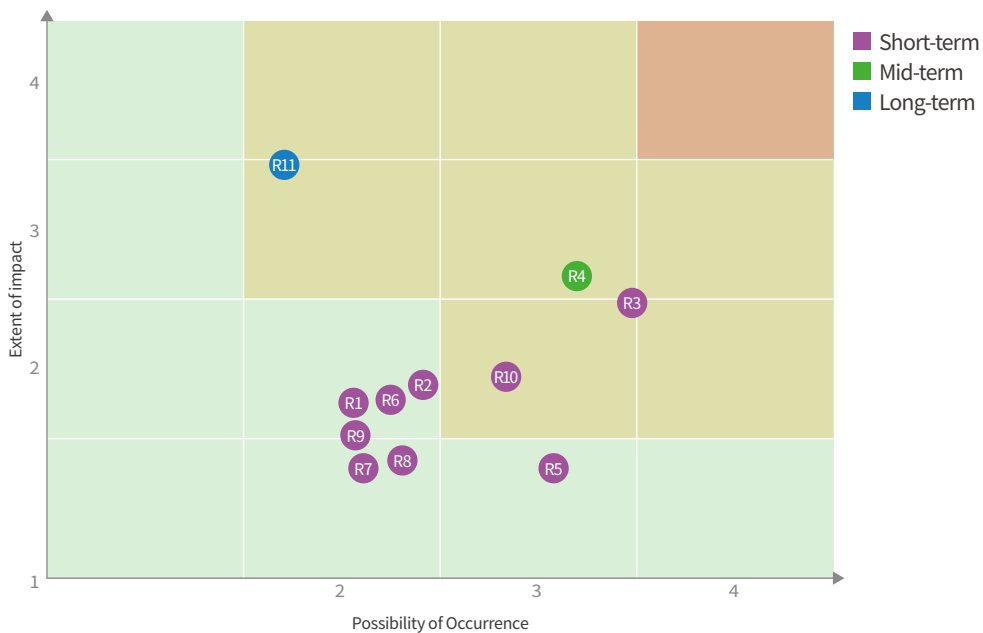
IBF Financial Holding Group profoundly realizes the risks and potential impact of climate change. Therefore, in accordance with the different businesses of the Company and subsidiaries, short-term (likely to occur within one year), mid-term (likely to occur within 1-5 years), and long-term (likely to occur more than five years in the future) climate risks and opportunities have been identified and evaluated. Through the use of a climate matrix and materiality from the perspective of “Possibility of Occurrence” and “Extent of Impact”, and in consideration of the factor of “Time of Occurrence”, the Company has found relatively significant climate risks, included them in the management cost and financial impact evaluation, and established adaption and mitigation actions to respond to relevant risks. We have also established strategic action plans based on climate opportunities to understand business opportunities.

➤ Identified climate risks and opportunities in 2022

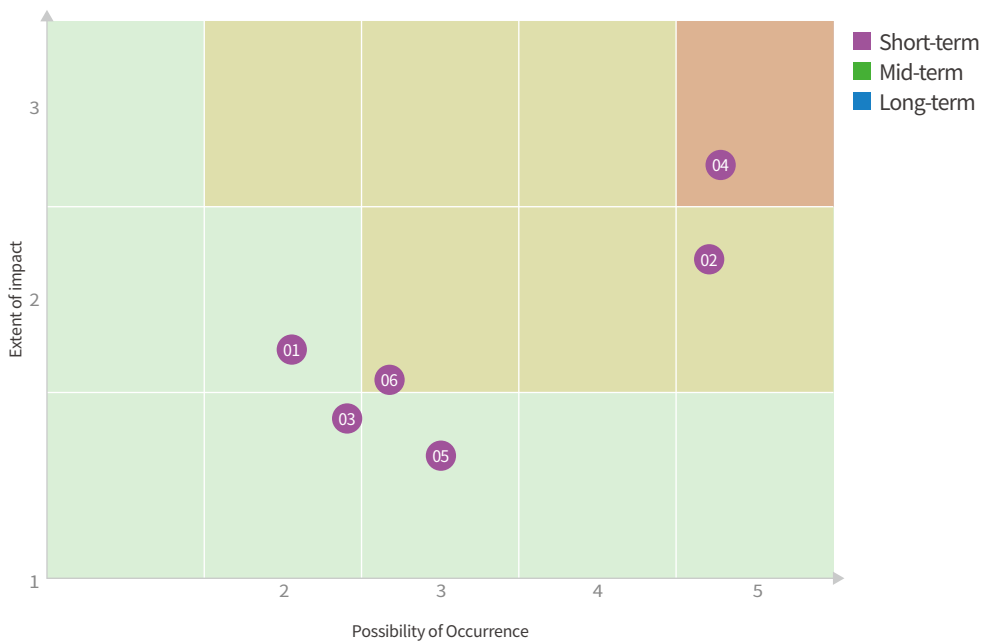
No.	Risk Issue	No.	Opportunity Issue
R1	Technological transformation faced by objects of investment/financing	O1	Increased green investments
R2	Regulatory risks faced by objects of investment/financing in transformation	O2	Development of green financial services
R3	Raised threshold of investment/financing	O3	Increased lending to green energy industries
R4	Failure of the Company to respond to the needs of sustainable finance in real-time	O4	Digital finance services
R5	Increased cost of greenhouse gas emissions	O5	Green procurement
R6	Sustainable finance products	O6	Renewable energy sources and green buildings
R7	Suspension of operating sites due to natural disasters, to result in decline or interruption of production capacity		
R8	Impairment of asset value of real estate		
R9	Impaired assets of objects of investment/financing		
R10	Rising average temperatures		
R11	Rising sea levels		



➤ Climate-related Risk Analysis Matrix



➤ Climate-related Opportunity Analysis Matrix



➤ Adaption and mitigation actions to address climate risks

Rank	Risk Incident	Time of Occurrence	Type of Climate Risk	Climate Scenario	Description of Potential Financial Impact	Adaption and Mitigation Actions
1	R3 Raised threshold of investment/financing	Short-term	Policies and regulations	RCP2.6 is the scenario with minimum emissions and constructed under strict climate policies (e.g., sustainable finance guidelines including Equator Principles and Principles for Responsible Investment), to restrict greenhouse gas emissions.	Reduced number of existing clients to result in a decline of revenue	- Subsidiary International Bills Finance has established the Responsible Finance Management Guidelines, revised the Sustainable Development Evaluation Checklist, and verified the industrial attributes of clients, major negative ESG information, ESG ratings issued by third-party agencies, sustainable development performance, and other relevant aspects. For high-emission industries, a review of carbon emissions and status of climate risk management is also required, and climate change risks and extent of ESG risks of clients assessed. - Provide preferential interest rates to clients that comply with sustainability-linked standards through the underwriting of sustainability-linked FRCP. - Further coach clients to implement sustainable development and fulfill corporate responsibility through engagement by verifying their climate risks and ESG risk attributes and promoting sustainable linkage to reduce the impact of external risks.
2	R4 Failure of the Company to respond to the needs of sustainable finance in a real-time way	Mid-term	Market	RCP2.6 is the scenario with minimum emissions and constructed under strict climate policies (e.g., sustainable finance guidelines including Equator Principles and Responsible Investment), to restrict greenhouse gas emissions.	Changes of consumers' preferences to result in a decline of demand for products and services, causing reduced revenue	- Promote sustainable finance products and services with the core business of finance, including underwriting of green bonds, provision of green financing, and engagement in green investments. - Promote responsible investments, sign and import PRI & PRB, pay continual attention to the market, develop green financial products and services, and provide products of relevant themes that comply with clients' needs. - Improve the quality of ESG information disclosures. - The Sustainable Development Committee of IBF Financial Holdings pays continual attention to domestic and foreign sustainable development issues and climate change trends, establishes specific sustainability guidelines, and regularly tracks sustainable development planning and annual important work plans.

Rank	Risk Incident	Time of Occurrence	Type of Climate Risk	Climate Scenario	Description of Potential Financial Impact	Adaption and Mitigation Actions
3	R11 Rising sea levels	Long-term	Long-term physical risks	The average annual maximum one-day rainstorm intensity will be increased by approximately 20% and 41.3%, the average annual total rainfall will increase by approximately 15% and 31%, and the proportion of strong typhoons will increase by approximately 100% and 50% in the middle and end of the 21st century respectively.	Operational interruption will result in a decline of revenue. Operating costs will increase if physical assets are damaged.	▸ The Company has established the Highlights for Disaster Emergency Response to divide authorities and responsibilities and establish emergency notification procedures so that we can quickly seize the key moment and take responsive actions to prevent damage from spreading and eliminate the crisis caused by such disasters. ▸ Purchase natural disaster insurance and group insurance to spread risk. ▸ Metropolitan districts with complete drainage systems are prioritized when selecting offices, and such offices shall be within newer buildings with novel equipment and buildings and a high seismic resistance factor, located in places other than low-lying areas to minimize impact in the event of a disaster.

➤ Climate opportunity strategies and actions and annual results

Rank	Opportunity Item	Time of Occurrence	Type of Climate Opportunity	Climate Scenario	Potential Financial Impact	Strategies and Actions	Results in 2022
1	O4 Digital financial services	Short-term	Product and services	RCP2.6 is constructed under strict climate policies (e.g., Green Finance Action Plan 2.0 and encouragement of investment in green industries, etc.), to restrict greenhouse gas emissions.	Reduction of paper consumption to lower operating costs	Optimize digital finance services to improve user convenience, which benefits the increase of clients and expansion of business opportunities; simplify paper processes internally to implement energy conservation and carbon reduction. ▸ Optimize front, middle, and back office systems to improve clients' convenience and attract more clients. ▸ Improve the electronic ratio of mobile platforms so that investors can handle each business operations through the "Wealth Management e-Steward" app or official website of International Bills Finance. Promote and encourage clients to use the online account opening model in the hope that targets for energy conservation, carbon reduction, and sustainable development can be gradually implemented.	(IBF Securities) In March 2022, the online paperless account opening and document review system went live. As of the go-live date, 3,534 accounts were opened, reducing at least 100,000 pieces of paper.

Rank	Opportunity Item	Time of Occurrence	Type of Climate Opportunity	Climate Scenario	Potential Financial Impact	Strategies and Actions	Results in 2022
2	O2 Development of green financial products	Short-term	Product and services	RCP2.6 is constructed under strict climate policies (e.g., Green Finance Action Plan 2.0 and encouragement of investment in green industries, etc.), to restrict greenhouse gas emissions.	Development of green services to increase income (e.g., income from underwriting of sustainable bills) in response to the increased demand for low-carbon services	Expand investment and financing for renewable energy and green industries, and innovatively develop sustainable finance products and services to increase business opportunities according to the government policies and regulations. ▸ Expand investments in renewable energy or green industries based on proprietary business to increase income. ▸ Accelerate introducing capital from the finance industry to green industries in response to the government's Green Finance Action Plan 2.0. ▸ Acquire business opportunities by underwriting green and sustainable bills to increase operating revenue.	
3	O6 Renewable energy sources and green buildings	Short-term	Resource efficiency	RCP2.6 is constructed under strict climate policies (e.g., Green Finance Action Plan 2.0 and encouragement of investment in green industries, etc.), to restrict greenhouse gas emissions.	Reduction of operating costs due to improvement of energy resource efficiency	Encourage the implementation of energy-saving measures to make the overall energy utilization of the Group more efficient and energy-saving. ▸ The Group is relocated to a green building to save the problems of space, electric power, and air-conditioning, and lower the Company's operating costs. ▸ Purchase new energy-saving equipment to replace the old equipment and improve energy utilization efficiency. ▸ Execute greenhouse gas and energy management, plan the purchasing of Renewable Energy Certificates, and practice climate change mitigation actions from daily corporate operations.	

5.4 | Scenario Analysis for Climate Change |

Scenario analysis refers to the identification and evaluation of the potential impact of a scenario on business operations, strategies, and financial performance in the face of uncertain conditions. The scenarios analysis of physical risks of IBF Financial Holding Group has been conducted to provide an analysis for multiple climate-related disasters under the scenarios in RCP 2.6 and RCP 8.5 of the IPCC AR 5. We also provided Value at Risk (VaR) and Failure Probability (FP) for real estate in different locations this year. The scenarios of transition risks have been analyzed based on the model of the Network for Greening the Financial System (NGFS) and with reference to the Nationally Determined Contributions (NDCs) of Taiwan, and three carbon price scenarios including Net Zero 2050, delayed transition, and Nationally Determined Contributions (NGCs), and one carbon-fee scenario of an existing policy to calculate the results in 2025, 2030, and 2050 respectively. The transition impacts of regulations and carbon emission goals on IBF Financial Holding Group have been evaluated.

Type	Source	Path	Impact
Physical risks	Intergovernmental Panel on Climate Change (IPCC)	RCP 2.6 RCP 8.5	Value at Risk (VaR) Failure Probability (FP)
Transition risks	Network for Greening the Financial System (NGFS)	Net Zero 2050 Delayed Transition NDCs	Range of upgrading/ downgrading Amount of expected credit risk losses

5.4.1 Physical Risks

To effectively measure the physical risks of IBF Financial Holding Group and evaluate the impact of climate disasters on the losses of operating sites and real estate collateral, the analysis and responsive strategies are shown as follows:

Operating site	As of the end of 2022, there were 33 operating sites in Taiwan. Under the scenarios of RCP 2.6 and RCP 8.5, VaR did not reach 1% of the high-risk value. Among the climate disasters most probably causing asset losses, soil subsidence ranked first, followed by riverine flooding. As for FP, the possibility of occurrence of climate disasters begins to exceed 50% from 2060. The most probable disaster is extreme heat. Extreme heat becoming the most likely disaster is also presented in the scenario of RCP 2.6. However, as a whole, the probability of climate disasters will not exceed 50% even in 2100.	During the rebuilding of operating sites or the selection of new sites as operating sites in the future, the Group will refer to the analysis results of climate physical risks. During the planning of building construction and site selection, the Group will consider common climate disasters in Taiwan from multiple aspects, including soil subsidence, extreme heat, and flooding.
Real estate collateral	With townships, towns, and districts as units, IBF analyzed the real estate collateral involved in credit extension cases undertaken in 2022. The analysis results indicated that the VaR of real estate collateral did not reach the high-risk value of 1% under the scenarios of RCP 2.6 and RCP 8.5 in the current year. The probability of climate disasters will exceed 50% under the scenario of RCP 2.6 as of 2100; the probability of climate disasters will begin to exceed 50% since 2060 under the scenario of RCP 8.5.	With respect to the credit extension plan, the Group plans to incorporate the inspection of climate risks existing in the land and buildings used for credit guarantees in the future with the objective of assisting clients in identifying the climate risks faced by their assets under different future scenarios and take responsive measures. We also actively encourage clients to provide collateral that brings positive benefits to the environment, such as green buildings, and in this case, we will provide preferential interest rates on a case-by-case basis.

5.4.2 Transition Risks

After checking the short-term credit portfolios of subsidiary International Bills Finance Corp. at the end of 2022, there were four credit objects categorized by the Environmental Protection Administration of Taiwan as major carbon emission accounts; this analysis targets carbon emissions of the aforesaid objects at different time points in the next 25 years with reference to the predicted carbon price under three scenarios. The estimated carbon fees collected in the future are then used to calculate the range of upgrading/downgrading and the amount of expected credit risk losses using the Company's internal credit rating model. Below are the analysis results:

Under the scenario of NDCs, credit clients who are categorized by the Environmental Protection Administration of Taiwan as major carbon emission accounts did not face downgrading and credit loss; under the scenario of delayed transition, one credit client would be downgraded by one level, two clients would be downgraded by two levels, and one clients would be downgraded by three levels in 2050. The amount of expected credit loss would be NT\$ 23,595,500; under the scenario of Net Zero 2050, two credit clients would be downgraded by one level in 2025 and 2030 respectively, with an expected credit loss of NT\$ 5,530,000. In 2050, one credit client would be downgraded by one level, one credit client would be downgraded by two levels, and two clients would be downgraded by three levels. The expected credit loss would be NT\$ 33,165,000.

➤ Range of upgrading/downgrading of credit ratings

Unit: No. of accounts

Year/Scenario	2025			2030			2050		
	Downgraded by one level	Downgraded by two levels	Downgraded by three levels	Downgraded by one level	Downgraded by two levels	Downgraded by three levels	Downgraded by one level	Downgraded by two levels	Downgraded by three levels
NDCS	-	-	-	-	-	-	-	-	-
Delayed transition	-	-	-	-	-	-	1	2	1
Net Zero 2050	2	-	-	2	-	-	1	1	2

➤ Amount of expected credit loss

Unit: NT\$ Thousand

Hypothetical Scenario	2025	2030	2050
NDCS	-	-	-
Delayed transition	-	-	23,595
Net Zero 2050	5,530	5,530	33,165

5.5 | Environmental Sustainability of Operation of IBF Financial Holding Group |

➤ Green procurement

In 2022, the total purchasing amount of products with environmental protection labels, energy-saving labels, water-saving labels, green building materials, renewable paper, and other relevant products purchased by companies in the Group reached NT\$3,515,611 for the purpose of actively responding to green procurement and supporting sustainable consumption to bring about more change.

➤ Sustainable performance

In 2022, the total electricity consumption of IBF Financial Holding Group reached 6,464,464kWh, down by 0.57% compared to the previous year; total fuel consumption reached 60,762.36L, up by 4.81% compared to the previous year due to the increase of fuel consumed by company cars as operating volume of subsidiaries of the Group increased; the total water consumption reached 28,481m³, up by 5.38% compared to the previous year due to the strengthening of anti-epidemic work (including an increase of water consumption due to increased hand washing and office cleaning and disinfection); greenhouse gas carbon emissions reached approximately 4,387.59t CO₂e, down by 4.78% compared to the previous year. The energy consumption reduction was significantly effective. The main energy conservation and carbon reduction measures are as follows:

💡 Energy conservation in lighting

- The light fittings of each company have been gradually replaced with high-efficiency lamps or electricity-saving tubes, and employees are required to develop good habits of turning off lights when leaving rooms. Each unit shall review the use of lighting based on business conditions. We also turn off the lights for one hour at noon.
- Review the lighting levels in the offices, corridors, and other areas of each unit according to the CNS office lighting standard. If the lighting levels are relatively high, the quantity of light tubes or lamps can be reduced, and relevant control measures can be taken to reduce electricity used for lighting.
- Computers shall be shut down when unused for a long time to reduce standby power loss. When leaving work for the day, colleagues must turn off plugs at the sockets to reduce standby power loss.
- Post stickers at light switches in public areas advocate energy conservation and electricity saving; post stickers on elevator buttons also encourage use of stairs.
- The original lamps shall be replaced with energy-saving LED lamps in the Group.

💡 Energy conservation in air-conditioning

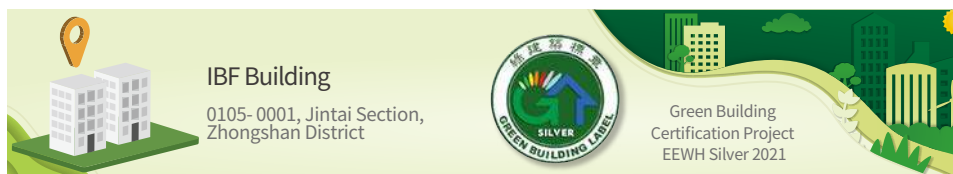
- Conduct a daily routine inspection and shut down air-conditioning and power supply not used promptly. Slogans that advocate energy saving shall be posted at eye-catching positions, such as on light switches and air-conditioning switches in each office place and premises.
- Increase the temperature of air-conditioning, maintain the indoor temperature at 26°C, and control use of electricity consumption during overtime by using the air-conditioning.
- Close the public security doors on the premises when leaving. Automatic glass doors are installed in the business halls of each subsidiary of IBF Securities to prevent cool air from escaping.
- Install energy-saving fans to strengthen the cooling effect. Install timers at separated cooling facilities in the equipment room to save electricity.
- Some branch companies use air-cooled air-conditioning units.

💡 Fuel-saving measures

- Advocate colleagues to share transportation or take public transportation during business trips.
- The management unit shall uniformly manage and flexibly use company cars. A registration book shall be set up to avoid idleness; the management unit shall appropriately evaluate vehicles, check fuel consumption, and confirm if the driving mileage is reasonable in the hope that the utilization efficiency can be improved and the goal of energy-saving can be implemented.

💡 Green building

- The Taipei headquarters in IBF Building have been included to ecological operation design and “Green Building” certification has been acquired.



💡 Management and certification

- ISO 50001 Energy management system, ISO 14064-1 Greenhouse gas inventory system and ISO 14001 Environmental management system have been introduced to comprehensively check the greenhouse gas emission sources and effectively manage environmental issues through third-party verification.

➤ Energy consumption

	2021	2022
Purchased electricity (MWh)	6,501.20	6,464.46
Renewable energy (MWh)	0.00	0.00
Total electricity consumption (MWh)	6,501.20	6,464.46
Natural gas (m ³)	10.00	9.00
Fuel (L)	57,971.47	60,762.36
Total consumption of non-renewable energy sources (MWh)	7,027.19	7,015.76
Total energy consumption (MWh)	7,027.19	7,015.76
Total energy consumption (GJ)	25,297.88	25,256.74
Energy consumption per capita (GJ)	16.11	15.94

Note 1: 1 MWh = 3.6 GJ; 1 kcal = 0.000001163 MWh = 0.000004 GJ

Note 2: In accordance with the conversion of calorific value specified in the Greenhouse Gas Emission Coefficient Management Table 6.0.4 announced on the website of the Bureau of Energy, natural gas is 9,000 kcal/m³ and gasoline is 7,800 kcal/L.

Note 3: In 2022, the scope of inventory included a total of 48 operating sites of IBF Financial Holdings Co., Ltd., IBF Venture Capital Co., Ltd., IBF Securities Investment Consulting Co., Ltd., IBF Securities Venture Capital Co., Ltd., IBF Futures Co., Ltd., IBF Securities Co., Ltd., International Bills Finance, Guo Want International Leasing Corp., and IBF Financial Holding Co., Ltd; since Rakuten International Commercial Bank was not included in the consolidated financial statements of IBF Financial Holdings, it was thus removed from the organizational scope to meet the requirements of the FSC. However, the emissions of Rakuten International Commercial Bank in 2021 are included in indirect greenhouse gas emissions generated from the use of products from the organization of IBF Financial Holdings in Scope 3 according to the investment ratio of 49%.

Note 4: Since the reporting scope of the Company in 2022 was corrected to all operating sites of each subsidiary in the consolidated financial statements, the inventory year of 2022 was thus determined as the Company's base year.

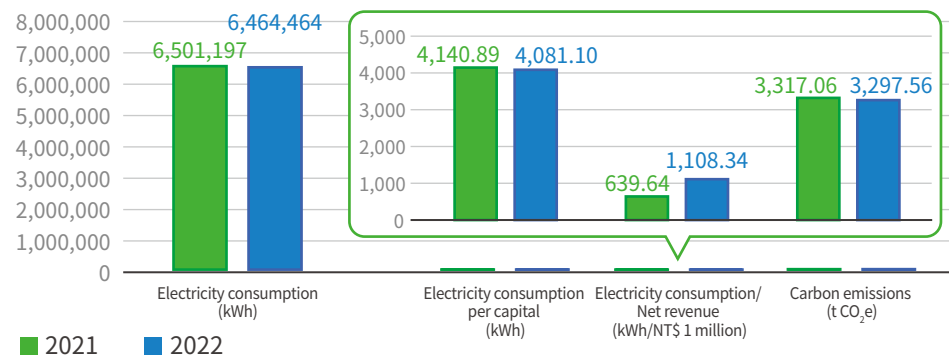
Note 5: Consumption per capita = Total energy consumption/Number of formal employees in the scope of inventory.

Note 6: The number of formal employees reached 1,570 in 2021; the number of formal employees reached 1,584 in 2022.

Relevant data regarding environmental protection in 2022, including electricity consumption, gasoline consumption, tap water consumption, total greenhouse gas emissions, and waste volume are presented as follows:

5.5.1 Energy-saving performance

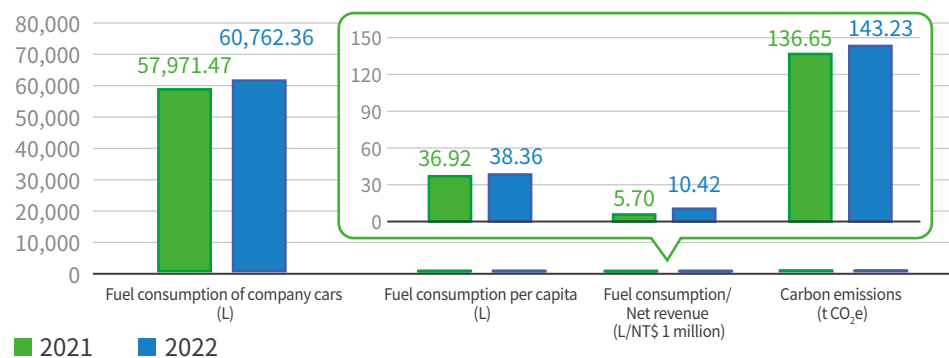
IBF Financial Holdings Group practiced electricity-saving measures, including turning off unnecessary lamps and machinery at noon break. In 2022, the total electricity consumption reached 6,464,464kWh, down by 0.57% compared with that in the previous year, and equivalent to the reduction of 19.50t of carbon emissions.



- Note 1: The power supplier of operating sites under the organization in Taiwan is Taipower. The latest power emission coefficient announced by the Bureau of Energy in 2021 was adopted.
- Note 2: Electricity consumption per capita = Total electricity consumption/Number of formal employees in the scope of inventory.
- Note 3: The number of formal employees reached 1,570 in 2021; the number of formal employees reached 1,584 in 2022.
- Note 4: The net revenue reached NT\$ 10,163,870,000 in 2021, and NT\$ 5,832,570,000 in 2022 (data from the consolidated composite income sheet of the Company and subsidiaries).

5.5.2 Fuel-saving performance

In 2022, the gasoline consumption of company cars reached 60,762, and gasoline consumption density of company cars was 10.42L/NT\$ 1 million of net revenue. The gasoline consumption in 2022 increased compared with that in 2021, mainly resulting from an increase of use of company cars by subsidiary IBF Securities this year due to an increase in business demand post-pandemic.



- Note 1: Fuel consumption per capita = Fuel consumption of company cars/Number of formal employees in the scope of inventory.
- Note 2: The number of formal employees reached 1,570 in 2021; the number of formal employees reached 1,584 in 2022.
- Note 3: Net revenue reached NT\$ 10,163,870,000 in 2021, and NT\$ 5,832,570,000 in 2022 (data from the consolidated composite income sheet of the Company and subsidiaries).

5.5.3 Greenhouse gas emissions

IBF Financial Holdings has independently implemented the management and inventory verification of greenhouse gas emissions since 2013, and introduced the ISO 14064-1 Greenhouse Gas Inventory System in 2021 to expand the inventory scope to all operating sites of subsidiaries. We also actively publicize environmental education and collaborate with employees to jointly respond to energy-saving measures. Since the scope of greenhouse gas inventory was changed in 2022, the Group took 2022 as the base year after adjustment. The total greenhouse gas emissions reached 4,387.59t CO₂e. The greenhouse gas emissions in Scope 1 reached 336.50t CO₂e, while those in Scope 2 reached 3,297.56t CO₂e; in 2022, the carbon emission intensity of the greenhouse gases reached 0.75 (t CO₂e/NT\$ 1 million of net revenue). The total carbon emissions were reduced by 4.78% compared with the previous year.

In response to the government's goal of Net Zero 2050 and to align with international standards, IBF Financial Holdings started planning green electricity procurement in 2022 and is expected to implement green electricity transfer from the fourth quarter of 2023. Through the adoption of carbon emission measures for corporate operations, procurement of renewable energy sources, and other relevant approaches, we aim to reduce carbon emissions by 2% annually on average compared with the base year. In the future, we will plan carbon emission goals for relevant investment/financing portfolios. It is expected that IBF Financial Holdings will introduce SBTi by the end of 2023 for the purposes of practicing the net-zero transformation plan and promoting the sustainable development of green finance.

Greenhouse gas emissions

	2021	2022
Scope 1: Direct greenhouse gas emissions and removal (t CO ₂ e)	334.03	336.50
Scope 2: Indirect greenhouse gas emissions of input energy (t CO ₂ e)	3,317.06	3,297.56
Scope 3 ¹ : Indirect greenhouse gas emissions from products used by the organization (t CO ₂ e)	880.24	673.33
Scope 3 ² : Indirect greenhouse gas emissions generated from the use of products of the organization (t CO ₂ e) ⁵	76.48 ⁴	80.20
Total emissions (t CO ₂ e)	4,607.81	4,387.59
Emissions per capita (t CO ₂ e/person)	2.93	2.77
Carbon emissions/Net revenue (t CO ₂ e/NT\$ 1 million of net revenue)	0.45	0.75

Note 1: The inventory method follows the international standard of ISO 14064-1:2018 and GHG protocol; the warming trends specified in the Sixth Assessment Report of IPCC in 2022 were adopted; the emission coefficients of fuel and refrigerant were determined with reference to the Greenhouse Gas Emission Coefficient Management Table 6.0.4 issued by the Environmental Protection Administration, Executive Yuan.

Note 2: The power supplier of the operating sites under the organization in Taiwan is Taipower. The coefficients announced by the Bureau of Energy were adopted as the power emission coefficients, i.e., 0.509kg / CO₂e / kWh (2021) and 0.502kg / CO₂e / kWh (2020).

Note 3: In 2022, the scope of inventory included a total of 48 operating sites of IBF Financial Holdings Co., Ltd., IBF Venture Capital Co., Ltd., IBF Securities Investment Consulting Co., Ltd., IBF Securities Venture Capital Co., Ltd., IBF Futures Co., Ltd., IBF Securities Co., Ltd., International Bills Finance, Guo Want International Leasing Corp., and IBF Financial Holding Co., Ltd; since Rakuten International Commercial Bank was not included in the consolidated financial statements of IBF Financial Holdings, it was thus removed from the organizational scope to meet the requirements of the FSC. However, the emissions of Rakuten International Commercial Bank are included in the direct greenhouse gas emissions generated from the use of organizational products of IBF Financial Holdings in Scope 3 according to the investment ratio of 49%.

Note 4: Since the reporting scope of the Company was corrected to all operating sites of each subsidiary in the consolidated financial statements in 2022, the inventory data of 2021 was thus corrected to align with the disclosure method adopted in 2022 above (the emissions of Rakuten International Commercial Bank in 2021 are included in the indirect greenhouse gas emissions generated from the use of products from the organization of IBF Financial Holdings in Scope 3 according to the investment ratio of 49%), and the year 2022 was set as the base year for the inventory of the Company.

Note 5: The indirect greenhouse gas emissions generated from the use of products from the organization of IBF Financial Holdings in Scope 3 of this report only cover the carbon emissions of affiliate Rakuten International Commercial Bank in Category 4, and do not yet cover the carbon emissions of all investment/financing portfolios.

Note 6: The Operational Control Rights Law was adopted as the method for setting of the organizational scope. For facilities managed or under the operational control of each branch, the organization owned 100% of greenhouse gas emissions.

Note 7: The location basis method was adopted for CO₂ emissions in Category 2. These emissions were all generated by the electric power used by the office building and business units.

Note 8: Emissions per capita = Total emissions/Number of formal employees in the scope of inventory.

Note 9: The number of formal employees reached 1,570 in 2021; the number of formal employees reached 1,584 in 2022.

Note 10: Net revenue reached NT\$ 10,163,870,000 in 2021, and NT\$ 5,832,570,000 in 2022 (data from the consolidated composite income sheet of the Company and subsidiaries).

Ratio of greenhouse gas emissions in Scope 1 in 2022

Greenhouse gases	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Subtotal (t CO ₂ e/year)
Emissions	139.01	44.26	4.34	148.89	-	-	-	336.50
Ratio	41.31%	13.15%	1.29%	44.25%	-	-	-	100.00%

Emissions of other indirect greenhouse gases (Scope 3) and statistical methods

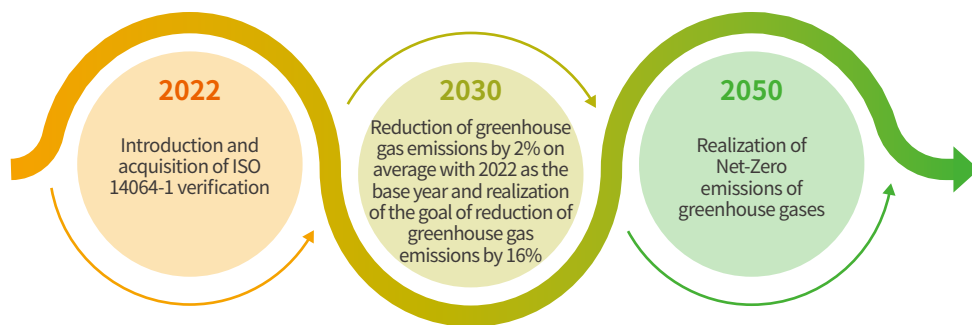
Category	Emission source	Calculation formula	Emissions (t CO ₂ e)	Remarks
Category 4 Indirect greenhouse gas emissions from products used by the organization	Indirect emissions from electricity procurement	Annual electricity consumption × Indirect emission coefficient	648.90	▶ The coefficient of electricity indirect carbon footprint (2020) from the Carbon Footprint Information Platform was adopted. ▶ China adopted SimaPro electricity indirect carbon footprint coefficient. ▶ Since the billing interval of electricity bills of Taipower was adopted, a certain part thus covered cross-year electricity utilization.
	Emissions from tap water procurement	Annual water consumption × Emission coefficient	4.09	▶ Taipei tap water (2020) carbon footprint coefficient from the Carbon Footprint Information Platform was adopted for Taipei City. ▶ Taiwan tap water (2020) carbon footprint coefficient from the Carbon Footprint Information Platform was adopted for places other than Taipei City. ▶ China adopted the total greenhouse gas emission coefficient of urban water supply from China’s product full life cycle greenhouse gas emission coefficient database. ▶ Since the billing interval of water bills was adopted, a certain part thus covered cross-year water consumption.
	Emissions from disposal and handling of waste generated in operation (general waste incineration treatment)	Annual waste weight × Incineration coefficient	19.18	▶ The waste output per capita was determined as 38.86kg/year per capita of IBF Building in 2022. ▶ The coefficient of the “Waste Incineration Treatment Service” quoted from the product carbon footprint calculation service platform was adopted as the incineration and burial coefficient. For regions in north of Taichung City (including the city itself), the coefficient of the Miaoli County Waste Incineration Plant was adopted. For regions south of Taichung City, the waste incineration treatment service (Gangshan Waste Incineration Plant) was adopted. The waste burial and clearing service was adopted in the east of Taiwan (Southern Taiwan Science Park-Tainan Science Park). ▶ The average coefficient of mixed waste disposal from China’s product full lifecycle greenhouse gas emission coefficient database was quoted as China’s incineration and burial coefficient.

Category	Emission source	Calculation formula	Emissions (t CO ₂ e)	Remarks
Category 4 Indirect greenhouse gas emissions from products used by the organization	Waste transportation	Waste waste/1000 × Goods carrying distance * Transportation coefficient	1.16	▸ The waste transportation distance referred to the distance from the local county/municipal government to the local waste disposal yard. ▸ For the setting of means of transportation, domestic waste was transported using waste carrier trucks, while waste in China was transported using medium-sized vans.
Subtotal of indirect greenhouse gas emissions from products used by the organization in Category 4			673.33	-
Category 5 Indirect greenhouse gas emissions generated from the use of products of the organization ¹	Emissions from investments	Emissions of invested companies in Scope 1 and Scope 2 × Investment ratio	80.20	▸ Ratio of investment in Rakuten International Commercial Bank X49%

Note 1: The indirect greenhouse gas emissions generated from the use of products from the organization of IBF Financial Holdings in Scope 3 of this report only cover carbon emissions of affiliate Rakuten International Commercial Bank in Category 4, and do not yet cover the carbon emissions of all investment/financing portfolios.

➤ Net-Zero goal

To implement sustainable practice, IBF Financial Holdings has established an internal carbon emission goal, and is expected to sign the SBTi at the end of 2023. The investment/financing portfolios will be checked according to the methodology recommended by PCAF to establish a scientific carbon reduction pathway, and the carbon emission goals of the Group's operation and investment/financing portfolios will be comprehensively planned to show the determination of IBF Financial Holding Group in realizing Net Zero 2050.



Targets for 2023	Specific Actions
▶ Short-term and mid-term targets: The total greenhouse gas emissions (Scope 1 and Scop3 2) shall be progressively reduced by 2% compared to base year 2022 every year until 2040. ▶ Long-term target: Net-Zero emissions shall be realized for total greenhouse gas emissions (Scope 1 and Scope 2) by 2050 with 2022 as the base year.	▶ Employees carry out independent energy conservation and carbon emission actions, including maintaining the indoor temperature at 26°C through the computer control of the air-conditioning system, turning off lights for one hour at noon to reduce electricity use, and turning off sockets when leaving work for the day. ▶ Improve the ratio of green building materials used in self-owned buildings and construction projects undertaken by branch companies, and purchase new energy-saving equipment to improve energy utilization efficiency. ▶ Actively plan the procurement of renewable energy sources. It is expected to complete the procurement and start transfer in 2023. ▶ It is expected to introduce PCAF methodology in 2023 to calculate carbon emissions from investment/financing to benefit the establishment of a scientific carbon reduction pathway.

5.5.4 Water-saving Performance

The water consumption of IBF Financial Holding Group focuses on house water consumption and 100% of water sources are freshwater. Underground and river water is not used. The water source of the Group in Taiwan as the major region of operation is 100% from Taiwan Water Corporation. Since IBF Financial Holdings and its subsidiaries (International Bills Finance, IBF Securities, and IBF Venture Capital) as well as affiliate IBF Securities Investment Consulting were relocated to a new building in 2021, brand-new urinals, induction-type water-saving wash basins and faucets, and other relevant equipment are in place, and the concept of water-saving has been actively advocated internally. According to statistics, the tap water consumption of IBF Financial Holding Group in 2022 reached 28,418m³, an increase of 1,450m³ compared to the previous year. However, carbon emissions were down by 37.17%. The Group has also established the goal of reducing water consumption by 1% in 2023 compared to base year 2022.

	2021	2022
Water consumption (m ³)	26,967.23	28,418.00
Water consumption per capita (m ³ /person)	17.18	17.94
Water consumption/Revenue (m ³ /NT\$ 1 million)	2.65	4.87
Carbon emissions (t CO ₂ e)	6.51	4.09

Note 1: Water withdrawal of the Company was the same as water consumption.

Note 2: The Company directly withdrew water from Taiwan Water Consumption. Since Taiwan is not a region under water resource pressure, the total dissolved solids in water quality testing are $\leq 1,000$ \mg.

Note 3: The carbon emission equivalents generated by water withdrawal/consumption were calculated according to CO₂e emissions for the production of each cubic meter of water as announced by Taiwan Water Corporation.

Note 4: The source of carbon emission coefficients of tap water in 2022 was the Carbon Footprint Information Platform: 0.2330t/1,000m³ for Taiwan tap water (2020); 0.0948t/1,000m³ for Taipei tap water (2020); the source of carbon emission coefficients of tap water in 2021 was the Carbon Footprint Information Platform: 0.2990t/1,000m³ for Taiwan tap water (2017); 0.1700t/1,000m³ for Taipei tap water (2013).

Note 5: Water consumption per capita = Total water consumption/Number of formal employees in the scope of inventory.

Note 6: The number of formal employees reached 1,570 in 2021; the number of formal employees reached 1,584 in 2022.

Note 7: Net revenue reached NT\$ 10,163,870,000 in 2021, and NT\$ 5,832,570,000 in 2022 (data from the consolidated composite income sheet of the Company and subsidiaries).

5.5.5 Waste Management

IBF Financial Holdings belongs to the financial service industry, and does not generate toxic waste during operation. To promote the goals of resource recycling, waste classification, and recovery, IBF Financial Holdings irregularly advocates relevant measures to colleagues in the Group, building management companies, and cleaning companies, and organizes environmental protection education and training to cultivate colleagues' awareness of implementing waste classification and reduction to contribute further to environmental protection, resource recycling, energy conservation, and carbon reduction.

IBF Financial Holdings continues to adhere to the concept of “Energy Conservation, Carbon Reduction, and Environmental Sustainability”, and actively implement environmental protection actions. In response to the policy of “No Disposable and Melamine Tableware” issued by the Taipei City Government, we have internally promoted environmental protection and provided rice steamers, microwave ovens, drinking water, and coffee machines as benefits for employees to encourage employees to eat and drink out less and use environmentally friendly tableware and personal cup containers for water and other beverages so we can respond to the green life initiative through practical actions, and colleagues are encouraged to take care of the earth.

IBF Financial Holdings started promoting a waste reduction plan in 2021. Office waste is classified into general waste, waste available for resource recycling, and paper. Waste generated in the building where the Group is located is entrusted to a qualified cleaning company for clearing and transportation. Waste available for recycling is transported to qualified resource recycling plants, while other waste is disposed of via incineration. The Company has also installed food waste disposers to immediately dispose of food residue to reduce waste output and volume and keep the environment clean. Battery recycling boxes are also set up to prevent toxic substances from batteries, including heavy metals like mercury, lead, and cadmium, from harming the environment and human health. In 2022, the total weight of waste generated by IBF Financial Holdings reached 56,402kg. It has also established the goal of reducing total waste output by 1% in 2023 compared to base year 2022.



Waste output of the Group from 2021 to 2022

Item	2021	2022
Waste output (kg)	447,754	56,402
Waste output per capita (kg/person)	285.19	35.61

Note 1: In 2022, the waste output was calculated based on the waste output per person and per day in IBF Building. However, in 2021, it was calculated according to the waste per capita announced by the Environmental Protection Administration. Due to the updated calculation method, the data of these two years differed significantly.

Note 2: The number of formal employees reached 1,570 in 2021; the number of formal employees reached 1,584 in 2022.





會計師有限確信報告

國鼎金融控股股份有限公司 公鑒：

本事務所受國鼎金融控股股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定民國 111 年度永續報告書所報導之關鍵績效指標（以下稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司民國 111 年度永續報告書第 147 至 149 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 2 頁之「邊界與範疇」段落述明。

上開適用基準係為臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準，以編製永續報告書所選定之關鍵績效指標，且維持與所選定之關鍵績效指標編製有關之必要內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」，對所選定之關鍵績效指標執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認所選定之關鍵績效指標可能發生重大不實表達之領域，以及針對前述領域設計及執行情序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執行情序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



- 對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對所選定之關鍵績效指標選取樣本進行包括查詢、觀察、檢查等測試，以取得有限確信之證據。

此報告不對民國 111 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

會計師之獨立性及品質管理規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，因此維持完備之品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現所選定之關鍵績效指標在所有重大方面有未依臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定以及 貴公司依行業特性與其所選定之關鍵績效指標參採或自行設計其他基準編製而須作修正之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 林維琪

林維琪



中 華 民 國 1 1 2 年 8 月 3 1 日

Independent Limited Assurance Report Translated From Chinese

To IBF Financial Holdings Co., Ltd.

We have been engaged by IBF Financial Holdings Co., Ltd. (“Company”) to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2022 Sustainability Report, and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the “Subject Matter Information”) and the respective applicable criteria are stated in the “Summary of Subject Matter Assured” on page 147 to 149 of the Sustainability Report. The scope of the aforementioned Subject Matter Information is set out in the “Scope and Boundary” on page 2 of the Sustainability Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability and FAQ issued by TWSE Listed Companies and related laws and regulations and the other criteria referred to or designed by the Company based on the Company’s industry characteristics and sustainability performance information reported.

Management’s Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the Sustainability Report in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations and the other criteria referred to or designed by the Company based on the Company’s industry characteristics and sustainability performance information reported, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the Sustainability Report in accordance with the Standard on Assurance Engagements 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” of the Republic of China, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are 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 we performed a reasonable assurance engagement.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed selective testing including inquiry, observation and inspection to obtain evidence for limited assurance.

We do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Management Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Standard on Quality Management 1, “Quality Management for Public Accounting Firms” of the Republic of China and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitation

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations and the other criteria referred to or designed by the Company based on the Company’s industry characteristics and sustainability performance information reported.

Other Matter

The Management of the Company is responsible for maintaining the Company’s website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

Lin, Wei Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

31 August, 2023

For the convenience of readers and for information purpose only, this document has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language version shall prevail.

Appendix II | Principles for Responsible Investment, PRI Implementation Status |

Principles	Main Actions	Implementation Status
Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes	▶ Address ESG issues in investment policy statements. ▶ Assessing manager's abilities to integrate ESG issues. ▶ ESG training for Investors and Advisers.	▶ IBF Financial Holdings and subsidiaries incorporate PRI and PRB related policies into ESG issues. ▶ An ESG risk review process and an investment, high sensitivity, and high carbon emission prohibition industry list have been established.
Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices	▶ Develop and disclose an active ownership policy consistent with the Principles. ▶ Develop an engagement capability. ▶ Engage with companies on ESG issues.	▶ IBF Securities has signed a statement of compliance with the Due Diligence Best Practice Principles for Institutional Investors, participated in the voting of the shareholders' meeting of invested companies, and developed its capability to participate in relevant corporate topics through the exercising of voting rights.
Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest	▶ Ask for standardized reporting on ESG issues. ▶ Ask for ESG issues to be integrated within annual financial reports. ▶ Ask for information from companies regarding adoption of/adherence to relevant norms, standards, codes of conduct or international initiatives.	▶ IBF Financial Holdings and each subsidiary have been included in the ratings of relevant third-party organizations for screening conditions in the review processes of investment and financing goals; enterprises without ratings from third-party organizations are required to provide information regarding whether they abide by relevant ESG specifications, standards, codes of conduct or international initiatives. ▶ Initiatives including Partnership for Carbon Accounting Financials (PCAF) and Task Force on Climate-Related Financial Disclosures (TCFD) are supported to promote the sustainable disclosure of financial institutions and enterprises.
Principle 4: We will promote acceptance and implementation of the PRI Principles within the investment industry	▶ Align investment mandates, monitoring procedures, performance indicators and incentive structures accordingly. ▶ Support the development of tools for benchmarking ESG integration. ▶ Support regulatory or policy developments that enable implementation of the PRI Principles.	▶ IBF Financial Holdings supports the government's sustainable finance policy and promotes the implementation of the Principles for Responsible Investment (PRI). ▶ Actions for responsible investment are shared in sustainability and TCFD reports in the hope that responsible investment can be jointly executed in the same trade.
Principle 5: We will work together to enhance our effectiveness in implementing the PRI Principles	▶ Support/participate in networks and information platforms to share PRI tools, pool resources, and make use of investor reporting as a source of learning. ▶ Collectively address relevant emerging issues. ▶ Develop or support appropriate collaborative initiatives.	▶ We actively participate in or support international ESG and climate change initiatives. ▶ In 2022, IBF Financial Holdings participated in the "Finance x ESG" research fellowship platform jointly initiated by the Taipei Financial Research & Development Foundation, British Standards Institution (BSI), and Google Taiwan. Thirty major financial holding, banking, securities, and insurance companies in Taiwan responded and discussed the latest international ESG development trends to help realize sustainable finance goals.
Principle 6: We will report on our activities and progress towards implementing the PRI Principles	▶ Disclose how ESG issues are integrated within investment practices. ▶ Disclose active ownership activities (voting, engagement, and/or policy dialogue). ▶ Communicate with beneficiaries about ESG issues and the PRI Principles. ▶ Report on progress and/or achievements relating to the Principles using a comply-or-explain approach. ▶ Seek to determine the impact of the Principles.	▶ In 2022, policies related to responsible investment and responsible finance of IBF Financial Holdings and each subsidiary were disclosed in the TCFD Report, and how the Group evaluates, decides, and manages ESG topics and integrates them into actual investment actions was also disclosed. ▶ In 2022, cases regarding corporate engagement and participation in dialogs were disclosed in the Due Diligence Governance Report of IBF Securities and the TCFD Report of IBF Financial Holdings.

Appendix III | Principles for Responsible Banking, PRB Implementation Status |

IBF Financial voluntarily follows the United Nations Principles for Responsible Banking (PRB) to publicly disclose the implementation status of sustainable development areas and sustainability reports of the Company.

➤ Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the United Nations Sustainable Development Goals (SDGs), the "Paris Climate Agreement" and relevant national and regional frameworks.

IBF Financial Holdings has voluntarily followed the Principles for Responsible Banking (PRB) since 2022, and aligned its long-term development strategies with the Paris Climate Agreement and the United Nations Sustainable Development Goals (SDGs). We identify the impacts of products and services on social sustainable development by conducting impact analyses to focus on high impact fields, determine objectives for monitoring, and enact our corporate social responsibility.

➤ Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

We analyze the indicators proposed in the UNEP FI by Portfolio Impact Analysis Tool for Banks to assess the overall financial business.

- 📖 Scope of evaluation: IBF Financial Holdings' business is mainly centralized in Taiwan and includes bills, bonds, equity investments, and securities brokerage, etc.
- 📖 Business scope: Core businesses, including guaranteed endorsements of commercial paper and underwriting of securities, are analyzed. The overall coverage of analysis reached approximately 18.13% of the total net revenue of IBF Financial Holdings in 2021. Key clients are engaged in real estate development activities, other financial service activities, and green electric power generation, etc.
- 📖 Stakeholder communication: IBF Financial Holdings focuses on the following two goals as the fields that have the most influence on the Company's financial business through impact analysis: "Goal 11: Make cities inclusive, safe, resilient and sustainable" and "Goal 13: Take urgent action to combat climate change and its impacts".

Positive and Negative Impact:

Corresponding SDGs	Sustainability Agenda of Taiwan	Impact	Description
 SDG 11	▶ Development of the ecological community	Positive	Promote green buildings, improve the standards of community public facilities, and increase the ratio of green spaces to improve residential and the quality of life of community residents.
	▶ Implementation of cultural conservation and diversity maintenance	Negative	Strengthen the utilization and maintenance of historic sites and preserve the cultural traditions and features of the community.
 SDG 13	▶ Establishment of ecological urban and rule areas ▶ Promotion of ecological industrial areas ▶ Preservation of natural green spaces ▶ Proper utilization of rural production areas	Positive	Strengthen post-disaster recovery and adaption capabilities of investment/financing objects against natural disasters and climate related risks.
	▶ Low-carbon transmission of energy structure	Negative	Investment/financing objects may be industries that emit high-temperature greenhouse gases.

Target Goal: IBF Financial Holdings is committed to setting scientifically based reduction targets in 2023, and has comprehensively planned carbon reduction targets for the Group's operations and investment and financing portfolios. IBF Financial Holdings expects to reduce Scope 1 and 2 industrial emissions by 1.5 ° C; and fulfill the objectives of Category 15 investment and financing portfolios in Scope 3.

➤ Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

IBF Financial Holdings adopts the following policy and mechanism as the basis for its dialog with clients and aims to give play to the positive impact of financial product and service cases:

IBF Financial Holdings has established a Sustainable Finance Policy to encourage the handling of low-carbon investments, financing, and relevant sustainable finance products. In terms of investment, subsidiaries International Bills Finance Corp., IBF Securities, and IBF Venture Capital have separately established a Code of Responsible Investing, which expressly stipulates that the companies need to implement a series of prudent ESG evaluations for investment targets prior to investment., specifically, the companies shall not invest in industries prohibited from investment, shall prudently evaluate and control highly sensitive industries, shall consider the climate change risk for industries with high carbon emissions. In terms of credit extension, subsidiary International Bills Finance Corp. has established a Code of Responsible Finance to standardize business units' consideration of the impact of their operations on the environment and society and implement sustainable development in business evaluations and decision-making processes.

For detailed sustainable performance in investment/financing, please refer to "2.5 Sustainable Finance".

➤ Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

IBF Financial Holdings values communication with stakeholders and has actively established smooth and diversified communication channels, including setting up a "[Stakeholder](#)" and "[Feedback](#)" section in the "sustainable development" page of the company's public website. We also communicate through various means such as shareholder meetings, research plans, seminars, customer service hotlines, e-mail, standard form contracts, and customer networking activities.

➤ Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

The Committee is chaired by the Chairman of the financial holding, who is responsible for overseeing the operation of the Committee, convening meetings, and acting as the Chair. The Vice Chair and Executive Committee members assist in promoting the Committee's affairs and supervise subsidiaries and charitable foundations respectively. The Sustainable Development Committee meets twice a year; discussions include progress on PRB implementation and reporting to the Board of Directors.

➤ Principle 5: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

IBF Financial Holdings' PRB implementation progress publicly discloses the implementation status of sustainable development areas and sustainability reports of the Company.

Appendix IV | GRI Standard 2021 Index |

GRI Principle	Disclosure Item	Corresponding Section and Description	Page
GRI 2: General Disclosures			
2-1	Organizational details	1.1.1 About IBF Financial Holdings	23-24
2-2	Entities included in the organization's sustainability reporting	1.1.1 About IBF Financial Holdings	23-24
2-3	Reporting period, frequency and contact point	About This Report	2
2-4	Restatements of information	About This Report	2
2-5	External assurance	About This Report Appendix I Independent Limited Assurance Report	2 132-135
2-6	Activities, value chain and other business relationships	1.1.1 About IBF Financial Holdings	23-24
2-7	Employees	3.1.2 Human Structure	82-83
2-8	Workers who are not employees	3.1.2 Human Structure	82-83
2-9	Governance structure and composition	1.3.4 Structure of the Board of Directors	33-37
2-10	Nomination and selection of the highest governance body	1.3.4 Structure of the Board of Directors	33-37
2-11	Chair of the highest governance body	1.3.4 Structure of the Board of Directors	33-37
2-12	Role of the highest governance body in overseeing the management of impacts	1.3.4 Structure of the Board of Directors	33-37
2-13	Delegation of responsibility for managing impacts	1.3.4 Structure of the Board of Directors	33-37
2-14	Role of the highest governance body in sustainability reporting	1.3.5 Sustainable Governance Structure	38-40
2-15	Conflicts of interest	1.3.4 Structure of the Board of Directors	33-37
2-16	Communication of critical concerns	1.3.4 Structure of the Board of Directors	33-37
2-17	Collective knowledge of the highest governance body	1.3.4 Structure of the Board of Directors	33-37
2-18	Evaluation of the performance of the highest governance body	1.3.4 Structure of the Board of Directors	33-37
2-19	Remuneration policies	1.3.3 Functional Committees	32-33
2-20	Process to determine remuneration	1.3.3 Functional Committees	32-33
2-21	Annual total compensation ratio	1.3.3 Functional Committees	32-33

GRI Principle	Disclosure Item	Corresponding Section and Description	Page
2-22	Statement on sustainable development strategy	1.3.5 Sustainable Governance Structure	38-40
2-23	Policy commitments	1.5 Integrity Culture 3.1.4.4 Safeguarding of employees' rights and interests	47-48 90-91
2-24	Embedding policy commitments	1.5 Integrity Culture 3.1.4.4 Safeguarding of employees' rights and interests	47-48 90-91
2-25	Processes to remediate negative impacts	1.3.6 Internal Control and Audit 3.1.4.4 Safeguarding of employees' rights and interests	41-42 90-91
2-26	Mechanisms for seeking advice and raising concerns	1.3.6 Internal Control and Audit 2.3.4 Channels for Client Complaints and Grievance	41-42 70
2-27	Compliance with laws and regulations	1.6 Regulatory Compliance, Anti-money Laundering (AML), and Counter-Financing of Terrorism (CFT)	49-59
2-28	Membership associations	1.1.3 Participation in External Organizations	26-27
2-29	Approach to stakeholder engagement	Shareholder Engagement and Analysis of Material Topics	9-21
2-30	Collective bargaining agreements	No collective agreement	-

GRI 3: Material Topics

Material Topics selection process

3-1	Process to determine material topics	Shareholder Engagement and Analysis of Material Topics	9-21
3-2	List of material topics	Shareholder Engagement and Analysis of Material Topics	9-21
3-3	Management of material topics	Shareholder Engagement and Analysis of Material Topics	9-21

GRI indicators corresponding to material topics

Corporate Governance and Ethical Culture

205-1	Operations assessed for risks related to corruption	1.5.3 Codes of Ethical Conduct	47-48
205-2	Communication and training about anti-corruption policies and procedures	1.5.5 Actions and Effect of Promoting Integrity Culture 1.6.3 Actions and Effect of Promotion of Regulatory Compliance, Anti-Money Laundering, and Counter-Financing of Terrorism	48 50-57
205-3	Confirmed incidents of corruption and actions taken	1.3.6 Internal Control and Audit	41-42

GRI Principle	Disclosure Item	Corresponding Section and Description	Page
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.6.4 Regulatory Violations in 2022	57-59
Green Operation			
302-1	Energy consumption within the organization	5.5 Environmental Sustainability of Operation of IBF Financial Holding Group - Energy consumption	122-131
302-3	Energy intensity	5.5.1 Energy-saving performance	124
305-1	Direct (Scope 1) GHG emissions	5.5.3 Greenhouse gas emissions	125-128
305-2	Energy indirect (Scope 2) GHG emissions	5.5.3 Greenhouse gas emissions	125-128
305-3	Other indirect (Scope 3) GHG emissions	5.5.3 Greenhouse gas emissions	125-128
305-4	GHG emissions intensity	5.5.3 Greenhouse gas emissions	125-128
303-3	Water withdrawal	5.5.4 Water-saving Performance	129
303-4	Water discharge	5.5.4 Water-saving Performance	129
303-5	Water consumption	5.5.4 Water-saving Performance	129
306-3	Waste generated	5.5.5 Waste Management	130-131
Diversity, Equity and Inclusion			
405-1	Diversity of governance bodies and employees	1.3.4 Structure of the Board of Directors	33-37
405-2	Ratio of basic salary and remuneration of women to men	3.1.4 Actions and Effect of Promotion of Employee Rights and Benefits	85-91
406-1	Incidents of discrimination and corrective actions taken	3.1.4.4 Safeguarding of employees' rights and interests	90-91
Regulatory Compliance			
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incident occurred	-
417-3	Incidents of non-compliance concerning marketing communications	No such incident occurred	-
Information security and customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.2.4 Personal Data Incidents in 2022 and Responsive Measures	67
Climate change responses			
201-2	Financial implications and other risks and opportunities due	5.3 Risks and Opportunities of Climate Change	115-119

Appendix V | Sustainable Operation Indicators |

➤ 2022 Workplace Diversity Statistics (FN-IB-330a.1)

Percentage of Employee Category (%)	Male	Female	Citizen (excluding indigenous peoples)	Foreign	Indigenous peoples
Executive Management	46	18	64	0	0
Junior and Supervisor Management	69	63	132	0	0
Professionals	372	352	723	1	0
All other employees	186	445	631	0	0

Description of Employee Classifications

- ▶ Executive Management: Up to two top-level management positions below CEO (or/above Executive Vice President).
- ▶ Junior and Supervisor Management: Responsible for a specific department (such as accounting, marketing, production) or business unit, or a manager who manages projects within an organization. Middle managers are responsible for implementing top management's policies and plans.
- ▶ Professionals: Refers to front-line managers, junior managers, and the lowest level management positions in the company's management system. These individuals are typically responsible for directing and executing the organization's day-to-day operational objectives, conveying instructions from senior officers and managers to those below them.
- ▶ Professionals: Refers to positions that require at least a college or master's degree.
- ▶ All other employees: Refers to employees who do not meet the above conditions 1~4.

➤ Revenue from underwriting incorporating integration of environmental, social, and governance (ESG) factors in 2022 (FN-IB-410a.1)

Affiliated Company	Business Type	Industrial Classification	Underwriting Revenue (NT\$ Million)
IBF Securities	Underwriting listed OTC securities	Financial and Insurance Activities	1.99
		Manufacturing	29.30
		Construction	1.50
Total			32.78

➤ Revenue from advisory incorporating integration of environmental, social, and governance (ESG) factors in 2022 (FN-IB-410a.1)

Affiliated Company	Business Type	Industrial Classification	Financial Advisory Revenue (NT\$ Million)
IBF Securities	Listing (cabinet) counseling	Manufacturing	0.36
	Financial Advisory	Wholesale and Retail Trade	0.36
		Green Energy Technology Note	0.24
		Manufacturing	1.67
		Publishing, Audio and Video Production, Broadcasting, Information and Communication	0.45
		Construction	0.68
Total			3.76

Note: This industrial classification corresponds to the industrial classification of “Green Energy Technology” in the Five Plus Two Industry Innovation Plan of the government.

➤ Number and value of underwriting in 2022 (FN-IB-000.A)

Affiliated Company	Business Type	Number of underwritings	Underwriting Revenue (NT\$ Million)
International Bills Finance Corp.	Underwriting Commercial Paper	980	1,386.20
IBF Securities	Underwriting Securities	26	54.84
Total			1,441.04

➤ Number and value of advisory in 2022 (FN-IB-000.A)

Affiliated Company	Business Type	Number of underwriting(s)	Advisory Revenue (NT\$ Million)
IBF Securities	Listing (cabinet) Counseling	2	58
IBF Securities	Financial Advisory	10	3.4
IBF Securities Investment Consulting	Security advisory	1	0.36
Total			61.76

➤ Number and Value of proprietary investments by sector as of December 2022 (FN-IB-000.B)

Industry Sector	Project No.	Investment Amount (NT\$ Million)
Arts, Entertainment and Recreation	7	131.36
Manufacturing	127	24,237.04
Biotechnology and Medicine Industry	4	58.39
Water Supply and Remediation Activities	1	30.00
Financial and Insurance Activities	129	36,347.66
Transportation and Storage	18	3,981.69
Wholesale and Retail Trade	6	173.36
Construction	46	5,257.79
Agri-Technologies Industry	1	20.00
Accommodation And Food Service Activities	4	672.81
Mining and Quarrying	10	2,333.64
Finance and Insurance	6	5,048.98
Electricity and Gas Supply	14	4,475.89
Public Administration and Defence; Compulsory Social Security	50	24,625.20
Real Estate Activities	11	3,772.50
Human Health and Social Work Activities	3	67.76
Support Service Activities	1	187.76
Total	438	11,1421.83

Note 1: Data collected covers the investment portfolios of International Bills Finance Corp., IBF Securities and IBF Venture Capital. Except for a minority of industries annotated with industrial classifications, all industrial classifications align with those released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

➤ **Number and value of loans by sector as of December 2022 (FN-IB-000.B)**

Industry Sector	Project No.	Loan Amount (NT\$ Million)
Real Estate Activities	82	28,946.50
Publishing, Audio and Video Production, Broadcasting, Information and Communication	5	1,609.00
Accommodation and Food Service Activities	39	13,797.50
Wholesale and Retail Trade	53	7,210.80
Other	4	670.00
Other Service Activities	3	135.00
Financial and Insurance Activities	196	32,997.20
Professional, Scientific and Technical Activities	1	120.00
Education	2	240.00
Agriculture, Forestry, Fishing and Animal Husbandry	3	130.00
Transportation and Storage	25	2,842.00
Electricity and Gas Supply	4	337.00
Green Energy Technology	63	11,036.80
Manufacturing	127	16,295.50
Construction	27	4,841.50
Arts, Entertainment and Recreation	6	3,697.60
Mining and Quarrying	6	1,212.30
Total	646	126,118.70

Note: This industrial classification corresponds to the industrial classification of “Green Energy Technology” in the Five Plus Two Industry Innovation Plan of the government.

➤ **Number and value of proprietary investments and loans by sector as of December 2022 (FN-IB-000.B)**

Business Type	Project No.	Total Loans (NT\$ Million)
Margin Trading	1,183,300	10,760
Short Selling	191,304	2,460
Non-Restricted Purpose Loan	1,419	2,526
Total	1,376,023	15,746

➤ Number and value of market making transactions in 2022 (FN-IB-000.C)

Affiliated Company	Type	Business Type	Project No.	Total Number of markets making transactions (NT\$ Million)
International Bills Finance Corp.	Fixed-Income	Non-guarantee commercial paper	7	8,200
IBF Securities	Equity instruments	Underwriting emerging stocks	41	1,595
IBF Securities	Derivatives	Issue Stock Warrants	5,337	39,809
Total				49,604

Note: There were no market making transactions under “Currency and Commodity” in IBF Financial Holding Group in 2022.

Appendix VI | Sustainability Accounting Standards Board (SASB) Index |

➤ Investment Banking Brokerage

Code	Metric	Corresponding Section and Description	Page
FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	Appendix V Sustainability Operation Indicators	143-147
FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry.	(1)(2) International Bills Finance Corp. established the Code of Responsible Finance in January 2023 in accordance with the Sustainable Finance Policy of IBF Financial Holdings Co., Ltd. and included ESG topics in the underwriting business of commercial paper. In 2022, no business was conducted according to this policy; the revenue of IBF Securities from the underwriting business that integrated ESG factors related to the underwriting of securities from TWSE/TPEX listed companies that benefited from environmental protection, green energy development, and green finance. See Appendix V “Sustainable Operation Indicators” for details. (3) In 2022, IBF Financial Holding Group did not engage in the business of securitization transactions.	143-147
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry.	(1) IBF Financial Holdings has voluntarily followed the Principles for Responsible Investment (PRI) since 2022, and amended the Sustainable Finance Policy of IBF Financial Holdings Co., Ltd. to include ESG topics in investment and lending processes of the Company and affiliated companies. International Bills Finance Corp., IBF Securities, and IBF Venture Capital included ESG topics in their investment processes at the end of December 2022, therefore no investment was made according to this policy in the year 2022. (2) Furthermore, International Bills Finance Corp. established the Code of Responsible Finance in January 2023 according to the Sustainable Finance Policy of IBF Financial Holdings Co., Ltd., amended the Sustainable Development Evaluation Checklist on this basis, and established a complete ESG lending verification process. Therefore, no lending portfolio that complied with disclosure standards was carried out in the year 2022. See 2.5.1 “Sustainable Finance Policy” for details.	74

Code	Metric	Corresponding Section and Description	Page
FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	See 1.4.3 “Risk Management Procedure” and 2.5.1 “Sustainable Finance Policy” for details.	44 74
FN-IB-510a.1	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 other related financial industry laws or regulations	In 2022, IBF Financial Holdings did not suffer from any financial loss confirmed through legal proceedings or judgments due to involvement in fraud, insider trading, anti-competitive or monopolistic behavior, malpractice, market manipulation, dereliction of duty, or other violations of regulations governing the financial industry.	-
N-IB-510a.2	Description of whistleblower policies and procedures	See 1.3.6 “Internal Control and Audit” for details.	41-42
FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	(1) IBF Securities were involved in three incidents with penalties imposed by the competent authority in 2022. (2) In 2022, the number of employees of IBF Financial Holding Group with records of violation of regulations accounted for 0.64% of all employees.	58-59
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	In 2022, IBF Financial Holdings did not suffer any financial losses confirmed through legal proceedings or judgments due to a violation of professional integrity or other violations of relevant regulations governing the financial industry.	-
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care		-
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	See 1.6.3 “Actions and Effect of Promotion of Regulatory Compliance, Anti-money laundering, and Counter-Financing of Terrorism” for details.	50-57
FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	IBF Financial Holding Group was not on the List of Global Systematically Important Banks (G-SIBs) published by the Financial Stability Board (FSB) or the List of Domestic Systematically Important Banks (D-SIBs) published by the Financial Supervisory Commission of Taiwan in 2022.	-
FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	See p. 180, 185-186, 190-191, and 282-283 of the 2022 Annual Report for details.	-

Code	Metric	Corresponding Section and Description	Page
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Information regarding the percentage of changed remuneration of the executive management of IBF Financial Holdings in the total remuneration is not currently disclosed as it involves business secrets.	-
FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	The remuneration policy of the Company does not involve a remuneration reclaim clause.	-
FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	See p. 272-277 of the 2022 Annual Report for details.	-
FN-IB-000.A	(1) Number and (2) value of (a) underwriting (1) Number and (2) value of (b) advisory (1) Number and (2) value of (c) securitization transactions	(a)(b) See Appendix V "Sustainable Operation Indicators" for details. (c) In 2022, IBF Financial Holding Group does not engage in securitization transactions.	143-147
FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	See Appendix V "Sustainable Operation Indicators" for details.	143-147
FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income (1) Number and (2) value of market making transactions in (b) equity (1) Number and (2) value of market making transactions in (c) currency (1) Number and (2) value of market making transactions in (d) derivatives (1) Number and (2) value of market making transactions in (e) commodity products	(a)(b)(c)(d)(e) See Appendix V "Sustainable Operation Indicators" for details.	143-147

Appendix VII | Comparison table of Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies |

	Disclosure Item	Corresponding Section	Page
Article 2	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	2
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 Global Reporting Initiatives (GRI) Standards published by the GRI, Sector Disclosure and other applicable rules according to its sector features. In the report, the company shall disclose its identified material economic, environmental and social topics, management approach, topic-specific disclosure, and its reporting requirements, which shall, at a minimum, meet the core option of the GRI Standards. 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.	About This Report Appendix IV GRI Standard 2021 Index	2 140-142
Article 4-3	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.		-
	(1). Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	2.1.5 Information Security	65
	(2). Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	4.1.2 Promotion of SMEs Development	102

	Disclosure Item	Corresponding Section	Page
Article 4-3	(3). Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.	4.1.1 Promotion of Improvement of Financial Knowledge and Promoting Actions	100-102
	(4). Products and services designed by individual operating units to create benefits for the environment or society.	2.5.3 Operation Business Related to the Material Topic of Sustainable Finance	79
Article 4-1	A listed company specified in Article 2 shall dedicate a specific section of the report to the disclosure of climate-related information. The applicable timetables for the disclosure of Scope 1 and Scope 2 greenhouse gas (GHG) emissions under the preceding paragraph are as follows: 1. Those in the iron and steel industry, cement industry, or having a paid-in capital of NT\$10 billion or more shall disclose the data for the individual company from 2023, and disclose the data for the parent company and all subsidiaries in the consolidated financial statements from 2025.	5.1 Climate Change Governance Structure 5.2 Climate Change Risk Management 5.3 Risks and Opportunities of Climate Change 5.4 Scenario Analysis for Climate Change 5.5.3 Greenhouse gas emissions	112 113-114 115-119 120-121 125-128
Article 5	CPAs conducting assurance of sustainability metrics under Article 4, Paragraph 2, and the CPA firms to which they belong, and the personnel conducting GHG assurance under Article 4-1, Paragraph 3, and the institutions to which they belong, all shall comply with the relevant provisions of the Directions for the Implementation of Assurance Institutions of Sustainability Reports of TWSE and TPEX Listed Companies, which shall be applicable from 2024. The listed company prescribed under Paragraph 1, Article 2 of the Rules 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 June 30. However, if the listed company does not prepare a sustainability in the most recent year or does not prepare the report by referring to the GRI Standards, or the sustainability report has obtained a CPA's letter of opinion according to the rules mentioned in Article 4, Paragraph 2, the filing may be completed by September 30.	About This Report	2

Appendix VIII | Summary of Subject Matters Assured

Enhanced Disclosure Information and Summary of Subject Matters Assured According to Article 4 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (hereafter the “Operating Rules”).

No.	Key performance indicators selected	Page	Applicable standards	Operating Rule
1	IBF Financial Holding Group was not involved in any data breaches in 2022.		The number of data breach incidents in 2022 of subsidiaries of IBF Financial Holding Group (including IBF Financial Holdings, International Bills Finance Corp., IBF Securities, IBF Venture Capital, IBF Securities Investment Consulting, and IBF Futures). Note: (1) IBF Financial Holding Group made each subsidiary notify the parent company of IBF Financial Holdings in accordance with the IBF Financial Holding Affiliated Company Subsidiaries' Reporting Guidelines and the Regulations Governing the Scope, Reporting Procedures and Other Compliance Matters of Material Contingencies to be Reported by Financial Institutions established by the Financial Supervisory Commission. It also gathered statistics on the number of data breach incidents in 2022 according to the definition stipulated in the Information Security Policy. (2) A data breach refers to a breach of data of any other entity or individual other than each subsidiary of IBF Financial Holding Group, and this does not comply with the relevant regulations established by IBF Financial Holdings on confidentiality and information security management.	Annexed Table 1-3 (No. 1)
2	The ratio of personal data breach incidents of IBF Financial Holding Group accounted for 0% in 2022.		The ratio of personal data breaches to overall data breach incidents in 2022 of subsidiaries of IBF Financial Holding Group (including IBF Financial Holdings, International Bills Finance Corp., IBF Securities, IBF Venture Capital, IBF Securities Investment Consulting, and IBF Futures). The number of data breach incidents defined in the Information Security Policy occurring to IBF Financial Holding Group in 2022 that complied with the incidents defined in the Regulations Governing Personal Information Management. Denominator: The number of data breach incidents defined in the Information Security Policy occurring in IBF Financial Holding Group in 2022. Note: (1) IBF Financial Holding Group made each subsidiary notify the parent company of IBF Financial Holdings in accordance with the IBF Financial Holding Affiliated Company Subsidiaries' Reporting Guidelines and the Regulations Governing the Scope, Reporting Procedures and Other Compliance Matters of Material Contingencies to be Reported by Financial Institutions established by the Financial Supervisory Commission. It also gathered statistics on the number of data breach incidents in 2022 according to the definition stipulated in the Information Security Policy. (2) According to the scope defined in the Regulations Governing Personal Information Management, personal data refers to a natural person's name, date of birth, unified citizen ID card number, passport number, features, fingerprint, marital and family status, education, occupation, medical records, medical treatment, genes, sex life, health examination, criminal record, contact information, financial status, social activities, and any other data that can identify this individual directly or indirectly.	Annexed Table 1-3 (No. 1)

No.	Key performance indicators selected	Page	Applicable standards	Operating Rule
3	IBF Financial Holding Group was not involved in any personal data breach incident in 2022, and no client was affected.		The number of account holders affected by data breaches in 2022 of subsidiaries of IBF Financial Holding Group (including IBF Financial Holdings, International Bills Finance Corp., IBF Securities, IBF Venture Capital, IBF Securities Investment Consulting, and IBF Futures). Note: (1) IBF Financial Holding Group made each subsidiary notify the parent company of IBF Financial Holdings in accordance with the IBF Financial Holding Affiliated Company Subsidiaries' Reporting Guidelines and the Regulations Governing the Scope, Reporting Procedures and Other Compliance Matters of Material Contingencies to be Reported by Financial Institutions established by the Financial Supervisory Commission. It also gathered statistics on the number of data breach incidents in 2022 according to the definition stipulated in the Information Security Policy. (2) The number of clients is defined as the number of accounts centralized. If one ID has multiple accounts, it will only be calculated as one account.	Annexed Table 1-3 (No. 1)
4	As of December 31, 2022, International Bills Finance Corp. lent 200 loans to SMEs with a capital below NT\$ 100 million (inclusive) with a credit limit of NT\$ 36.5756 billion and credit balance of NT\$ 22.0856 billion.		Statistics on the number of loans lent by International Bills Finance Corp. to SMEs (note); credit limit and credit balance as of December 31, 2022 were gathered. Note: SMEs are defined as companies with a paid-in capital less than NT\$100 million.	Annexed Table 1-3 (No. 2)
5	IBF Financial Holding Group sponsored the Financial Wisdom Promotion Plan for Young People in Colleges and Universities, and held a series of lectures on "Money and Life of College Students" in 2022, benefiting 518 people.		The number of participants from disadvantaged groups lacking banking services who received financial education from IBF Financial Holding Group as of December 31, 2022. Note: Disadvantaged groups which lack banking services refer to the disadvantaged groups defined in Point 36 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Q&A (e.g., students, teenagers, new residents, elderly people, ethnic minorities, low-income households, etc.).	Annexed Table 1-3 (No. 3)
6	On December 20, 2022, International Bills Finance Corp. and the Social Welfare Charity Foundation jointly held the "Taipei Parents' Association for Visually Impaired – Anti-Money Laundering" event and 15 visually impaired persons participated.		The number of participants from disadvantaged groups lacking banking services who received financial education from IBF Financial Holding Group as of December 31, 2022. Note: Disadvantaged groups which lack banking services refer to the disadvantaged groups defined in Point 36 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Q&A (e.g., students, teenagers, new residents, elderly people, ethnic minorities, low-income households, etc.).	Annexed Table 1-3 (No. 3)

No.	Key performance indicators selected	Page	Applicable standards	Operating Rule
7	The average amount of orders electronically placed by IBF Securities reached 67.12% in 2022.		Numerator: Screened transactions occurring in 2022 via the Securities Firms Monthly Transaction E-statement of the Securities Firms Single Window Declaration (note) in the electronic transaction system of the stock exchange, and gathered statistics on the electronic transaction amount in 2022. Denominator: Screened transactions occurring in 2022 via the Securities Firms Monthly Transaction E-statement of the Securities Firms Single Window Declaration (note) in the electronic transaction system of the stock exchange, and gathered statistics of the total transaction amount of the company in 2022. Note: As defined by the stock exchange, the types of electronic transactions include online order placement (including Application Programming Interface), order placement by voice, and DMA (Direct Market Access). The ratio should be in line with the statistics on the ratio of 2022 from the Securities Firms Monthly Transaction E-statement on the date of assurance query (August 8, 2023).	Annexed Table 1-3 (No. 4)
8	As of December 31, 2022, the total credit limit provided by International Bills Finance Corporate for guarantee objects that complied with the definitions of "Six Core Strategic Industries" reached NT\$ 148,358,700,000, and the total balance was NT\$ 76,613,700,000.		Gathered statistics on the total credit amount and total balance of guaranteed loan objects that complied with the definitions specified in six industrial loan lending plans of the "Plan for Rewarding Local Banks to Grant Loans to Six Core Strategic Industries" as of December 31, 2022. These industries include information and digital industries, the cybersecurity industry, precision health industry, green and renewable energy industry, national defense and strategic industries, and strategic stockpile industries. The technical guidance specified in index FN-IB-410a.2 of the SASB Guidelines for Investing in Banks and Brokers was used as a reference. In 2022, no lending case was implemented according to this policy. Note: Some credit objects were classified as plural industries according to the industrial definitions specified in the "Plan for Rewarding Local Banks to Grant Loans to Key Innovative Industries" promoted by the Banking Bureau, Financial Supervisory Commission.	Annexed Table 1-3 (No. 4)
9	As of December 31, 2022, the accumulated amount (face value) of sustainable development bonds invested by International Bills Finance Corp. reached NT\$ 4.306 billion.		As of December 31, 2022, International Bills Finance Corp. invested in bonds that complied with one of the following conditions, and the amount should be based on the face value of green bonds presented in the financial report dated December 31, 2022. 1. Sustainable development bonds recognized as a sustainable development bond of TPEX (Note) and announced on the sustainable development bond issuance data platform of TPEX. 2. Bond marked as a green bond in the Bloomberg database. The technical guidance specified in index FN-IB-410a.2 of the SASB Guidelines for Investing in Banks and Brokers was used as a reference. In 2022, no investment case was implemented according to this policy. Note: Refer to the bonds that comply with the provisions of Article 4 and Article 8 of the Work Highlights for the Sustainable Development Bonds of the Taipei Exchange and registered on the sustainable development bond issuance data platform.	Annexed Table 1-3 (No. 4)

No.	Key performance indicators selected	Page	Applicable standards	Operating Rule
10	As of December 31, 2022, the accumulated amount (face value) of green bonds invested by IBF Securities reached NT\$ 500 million.		As of December 31, 2022, IBF Securities invested in bonds that complied with one of the following conditions, and the amount should be based on the face value of green bonds presented in the financial report dated December 31, 2022. 1. Sustainable development bonds recognized as a sustainable development bond of TPEX (Note) and announced on the sustainable development bond issuance data platform of TPEX. 2. Bond marked as a green bond in Bloomberg' s database. The technical guidance specified in index FN-IB-410a.2 of the SASB Guidelines for Investing in Banks and Brokers was used as a reference. In 2022, no investment case was implemented according to this policy. Note: Refer to the bonds that comply with the provisions of Article 4 and Article 8 of the Work Highlights for the Sustainable Development Bonds of the Taipei Exchange and registered on the sustainable development bond issuance data platform.	Annexed Table 1-3 (No. 4)
11	The total duration of external education and training provided for male management positions of IBF Financial Holding Group reached 1,881.0 hours in 2022. The total duration of external education and training provided for female management positions of IBF Financial Holding Group reached 817.0 hours in 2022. The total duration of external education and training provided for male non-management positions of IBF Financial Holding Group reached 6,516.7 hours in 2022. The total duration of external education and training provided for female non-management positions of IBF Financial Holding Group reached 11,275.3 hours in 2022.		IBF Financial Holding Group summarized the total duration of education and training attended by its employees in 2022 in accordance with the Measures for Employee Education and Training, and the external training application process.	Other standards adopted through reference or self-designed by the Company according to the industrial characteristics and reported performance indicators

No.	Key performance indicators selected	Page	Applicable standards	Operating Rule
12	The total mount of employee health examination fees subsidiarized by IBF Financial Holding Group in 2022 reached NT\$ 2,188,535, and the total number of employees subsidiized reached 181.		In accordance with the measures for subsidizing employee health examinations and the records of subsidies undergoing health examinations of each subsidiary of IBF Financial Holding Group, including IBF Financial Holdings, International Bills Finance Corp., IBF Securities, IBF Venture Capital (Note), IBF Securities Investment Consulting, and IBF Futures, the total amount of subsidies for employee health examinations and the total number of employees subsidiized by IBF Financial Holding Group in 2022 have been summarized. Note: IBF Venture Capital subsidiizes employee health examinations once every two year, including in 2022.	Other standards adopted through reference or self-designed by the Company according to the industrial characteristics and reported performance indicators

Appendix IX | ISO Certificates |

ISO 14064-1: 2018 Greenhouse Gas Emissions

bsi.
Opinion Statement

Greenhouse Gas Emissions
Verification Opinion Statement

This is to verify that: IBF Financial Holdings Co., Ltd.
17F
No. 128, Lequn 3rd Rd.
Zhongshan Dist.
Taipei City
104050
Taiwan

證信金融控股股份有限公司
臺北
中山區
樂群三路128號
17樓
104050

Holds Statement No: GHGEV 780117

Verification opinion statement
As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with reasonable assurance that:

- The Greenhouse Gas Emissions with IBF Financial Holdings Group for the period from 2021-01-01 to 2021-12-31 was verified, including direct greenhouse gas emissions 335,917 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 3,471,290 tonnes of CO₂ equivalent.
- No material misstatements for the period from 2021-01-01 to 2021-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity of year 2021 is 0.559 kgCO₂ per kWh.
- The electricity emission factor from China's average power Grid of year 2020 is 0.5810 kgCO₂ per kWh.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1:2018.

For and on behalf of BSI: 
Managing Director BSI Taiwan, Peter Fu

Original Issue: 2022-12-13 Latest Issue: 2022-12-13 Page: 1 of 3

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ISO 14001: 2015 Environmental management system

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Taipei City
104050
Taiwan

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臺北
中山區
樂群三路128號
3-5樓, 7-11樓, 17樓
104050

Holds Certificate No: EMS 780122

and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope:
The provision of financial services.
證信金融服務

For and on behalf of BSI: 
Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2022-12-15 Effective Date: 2022-12-15
Latest Revision Date: 2022-12-15 Expiry Date: 2025-12-14

Page: 1 of 2

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中山區
樂群三路128號
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and operates an Energy Management System which complies with the requirements of ISO 50001:2018 for the following scope:
The provision of financial services.
The main energy uses include:
- electricity for lighting, office equipment and air conditioning
- gas for company car
證信金融服務

For and on behalf of BSI: 
Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2022-12-15 Effective Date: 2022-12-15
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Page: 1 of 2

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ISO 27001:2013 Information Security Management System (Subsidiary IBF Securities)

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INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that: IBF Securities Co., Ltd.
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No. 128, Lequn 3rd Rd.
Zhongshan Dist.
Taipei City
104050
Taiwan

證信證券有限公司
臺北
中山區
樂群三路128號
4樓
104050

Holds Certificate No: IS 779107

and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:
The provision of development, operation, and maintenance of all information systems, and management of network, server room and related information supporting activities within Information Technology Department.
This is in accordance with the Statement of Applicability version 1.0 dated 21 November 2022.

For and on behalf of BSI: 
Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2022-12-27 Effective Date: 2022-12-27
Latest Revision Date: 2022-12-27 Expiry Date: 2025-10-31

Page: 1 of 2

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