SinoPac Holdings

Sustainability Report 2023

SinoPac Holdings

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About this Report

SinoPac Holdings publishes a Sustainability Report each year to communicate with stakeholders and the public about its specific actions and performances in Environmental (E), Social (S) and Governance (G) issues, as well as its commitments and actions taken in response to the United Nations Sustainable Development Goals (SDGs). With this Report, SinoPac Holdings also reviews and tracks the progress of its sustainability strategy and aims to cooperate with stakeholders to facilitate the sustainable development of the corporate itself, the environment, and the society. This Report is published in July 2024 and the reporting period was from January 1 to December 31, 2023. The previous report was issued on June 30, 2023. The Chinese and English versions of the Report can be downloaded from the official website of SinoPac Holdings.

Scope and Boundaries of the Report

The boundaries of financial data used in the Report is the same as that of SinoPac Holdings Consolidated Financial Report. Financial data is presented in New Taiwan Dollars. Environmental and social information encompass SinoPac Holdings and its five major subsidiaries, Bank SinoPac, SinoPac Securities, SinoPac Securities Investment Trust, SinoPac Leasing and SinoPac Venture Capital (accounting for 98.25% of SinoPac Holdings' consolidated net income and 90.58% of SinoPac Holdings' (consolidated) employees), which are collectively referred to as SinoPac Holdings in the Report. Business activities in Taiwan shall be adopted as the scope of the Report. Information on philanthropic activities incorporates the performance of SinoPac Foundation (established in December 2021). Where the scope is not consistent, it shall be specified in the Report.

Reporting Standards and Principles

Organization	Regulation/Standard
Taiwan Stock Exchange Corporation	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
Global Sustainability Standards Board (GSSB)	Sustainability Reporting Guidelines (GRI 2021)
	GRI G4 Sustainability Reporting Supplement Guidelines for Financial Services Sector
Sustainability Accounting Standards Board (SASB)	Commercial Banks Standard (FN-CB) (Introduced in 2019)
	Consumer Finance Standard (FN-CF) (Introduced in 2020)
	Mortgage Finance Standard (FN-MF) (Introduced in 2021)
	Investment Banking & Brokerage Standard (FN-IB) (Introduced in 2022)
Financial Stability Board (FSB)	Task Force on Climate-Related Financial Disclosures (TCFD)
International Integrated Reporting Council (IIRC)	Integrated Reporting Framework

Data Quality Management

Process	Content
Internal Review	SinoPac Holdings has formulated the operating procedures for the preparation and verification of the Reports in compliance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and incorporated them into the internal control system. This Report is edited by the SinoPac Holdings' Sustainability Report team and the senior, high-level management team. After reviewing the content and performance of each chapter by teams under the Sustainability Development Committee, it is submitted to the Sustainability Development Committee and approved by the Chairman of the Board before publication and report.
External Verification	This Report is assured by SGS Taiwan Ltd., in Accordance with the AA1000 Assurance Standard v3 (AA1000AS v3), Type 2 High Level of Assurance. This Report is in compliance with the AA1000 assurance principles of materiality, inclusiveness, responsiveness, and impact in accordance with the GRI Standards. The independent assurance report is also included in the appendix of this Report.
External Assurance	In response to the " Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", this report discloses the sustainability metrics in accordance with the provisions of Article 4, paragraph 1 of the regulations. Ernst & Young has concluded with an opinion of limited assurance in accordance with Standard of Assurance Engagements 3000 " Assurance Engagements Other than Audits or Reviews of Historical Financial Information " issued by the Accounting Research and Development Foundation in Taiwan. The independent assurance report is also included in the appendix of this Report.

Contact Information

If you have any suggestions regarding this Report, please contact the executive secretary of SinoPac Holdings Sustainable Development Committee.

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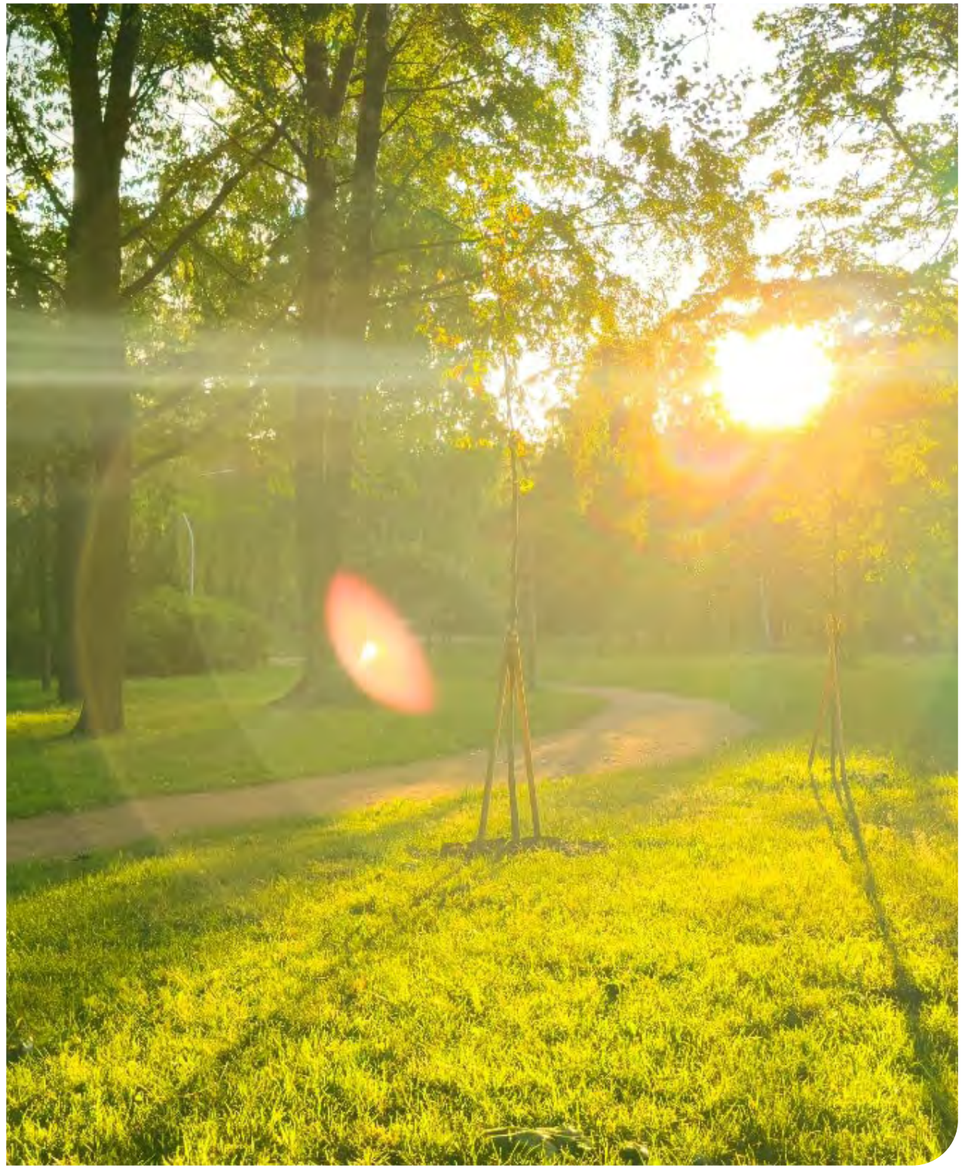


Chairman's Message

2023 was a challenging year. The global power struggle between the United States and China, wars between Russia and Ukraine and between Israel and Hamas, and North Korea's nuclear threat caused economic turmoil. And while central banks' monetary tightening helped curb inflation, rapid rate hikes were a challenge for businesses and the global economy. Meanwhile, climate change is a growing threat to economic development and humanity, leading to severe droughts, flooding, and the hottest summer on record in 2023. Extreme weather has become a regular part of our lives and we must accelerate actions to mitigate and adapt to climate change. Nobody is exempt from this responsibility. SinoPac Holdings is committed to using its financial resources to work with stakeholders to create a better life together.

The Company included "Mitigate and Adapt to Climate Change" as one of its three major sustainability commitments and included "Pave the Way for Net Zero Emissions" in the 5-year work plan in 2021. In accordance with that plan, the Board of Directors

- approved the net zero target in March 2022 and pledged to attain net zero in our operations by 2030 and in all of our asset portfolios by 2050,
- established an inter-subsidiary and inter-departmental net-zero task force to manage and facilitate net-zero related work plans. We formed functional groups, led by senior executives or the persons in charge of corresponding functions in SinoPac Holdings and its subsidiaries, tasked with formulating 5-year work plans and regular reviews. Through their efforts we set our Science-based target (SBT) and received SBTi validation, and
- formulated a plan to gradually divest from thermal coal and unconventional oil and gas industries. We committed to ending financing for new thermal coal and unconventional oil and gas projects and determined not to renew the existing projects starting from July 1, 2022. The scope of the decarbonization policy was expanded on July 1, 2023, to include investment and financing of thermal coal mining or thermal coal-fired power generation as well as unconventional oil and gas. We already phased out investment and financing of projects and financing of overseas companies in unconventional oil and gas, and we expect to phase out investment and financing of thermal coal projects and financing of overseas companies in thermal coal mining or thermal coal-fired power generation by 2030.

Our actions to date have been considerable, but we realize that sustained action is needed for net zero to become a reality. We will leverage our unique position to lead Taiwan toward net zero through sustainable finance.

Internally, we have been implementing green and carbon reduction measures across our subsidiaries and have already achieved 100% coverage of Scope 1 and Scope 2 GHG emissions inventories. After voluntarily introducing green energy into our operations in 2022, we sourced 10.12% of our internal energy needs from renewable sources in 2023. We have also implemented internal carbon pricing to enhance employees' carbon reduction awareness and change their behaviors to reduce carbon emissions in business operations.

Externally, in addition to phasing out our exposure to coal, we are promoting green operations and providing essential financial support for the energy and industry transformation. We have assisted corporate clients in replacing energy-consuming equipment and have provided intensive financial support for the green energy industry for many years. We are a leader in financing solar PV energy projects and are the only financial institution to receive the Top Solar System Award from the Ministry of Economic Affairs for eight consecutive years. We have expanded our financing business to energy storage, geothermal, and small hydro power in recent years and have developed an innovative green electricity trading trust business. We now play an important role in promoting the free trading of green electricity in Taiwan. Our underwriting business in the green energy and environmental protection industry has been successful: we rank first among our peers in both the number and value of projects. SinoPac Holdings' subsidiaries work together to create a green financial ecosystem, hoping to collaborate with companies to achieve low-carbon and net-zero transformation.

In addition to "Mitigate and Adapt to Climate Change," SinoPac Holdings is committed to "Reducing Inequality" and "Promoting Inclusive Growth" and has achieved significant results. Our commitment to diversity extends to our 7-member Board of Directors, which includes three women, or 42.8%. To help care for the financially disadvantaged and enhance the accessibility of financial services, we provide foreign migrant workers with credit loans and special credit cards to mitigate their difficulties in obtaining financial support and making payments through legal channels. We also continue to strengthen our digital financial innovations, such as DAWHO X DAWHOTOU, to connect financial services to people's lives and make them readily available everywhere. We follow and nurture employees' career development and promote employee health care measures to create a happy, stable environment from which employees can reach their potential and grow with the Company.

I thank the Board of Directors for providing the resources and support necessary for sustainable development. The management team and staff also deserve recognition for turning those resources into tangible results, which have been recognized in several domestic and international rankings and numerous awards, including

- Top 5% in the S&P Sustainability Yearbook for three consecutive years,
- continuous inclusion in the DJSI World Index and Emerging Markets Index,
- a Class AA rating in the MSCI ESG Ratings Evaluation,
- the highest possible rating of C+ for Commercial Banks & Capital Markets in ISS ESG
- four consecutive Platinum Awards from *The Asset* magazine, and
- Excellence in CSR Awards - Large Enterprise Group TOP 100 in Taiwan from *CommonWealth* Magazine.

SinoPac celebrated its 75th anniversary in 2023, a major milestone for the Company. Over the years, we participated in Taiwan's miraculous economic growth and industrial development. With the firm support of our shareholders, customers, employees, and other stakeholders, we created a strong foundation that will sustain our growth and increase our overseas footprint as we navigate the challenges and seize the opportunities in an increasingly complex business environment where sustainability issues permeate. With the assistance of emergent technologies, we will strengthen the sustainability of our financial products and services and help create a better future for Taiwan, the Company, and its stakeholders.

SinoPac Holdings, Chairman

S.K. Chen

Identification of Stakeholders and Material Topics

Stakeholders

SinoPac Holdings identified the stakeholders for the first time in 2014 and formulated major management policies and implementation plans accordingly to respond to the needs and expectations of stakeholders. The Company has periodically reviewed the groups of stakeholders based on market trends and engagement result with stakeholders in each year thereafter. In 2018, in response to the trend of sustainable supply chain management and to expand the social influence, SinoPac Holdings invited suppliers and contractors to implement corporate social responsibility together and regarded them as a new group of stakeholders. The integrity of the stakeholder group is regularly reviewed annually thereafter. There is no change in the stakeholder groups in 2023 compared to 2022 after conducting benchmarking analysis and internal interviews and confirmations. As a result, there are 7 stakeholder groups currently, including employees, customers, shareholders (investors), media, communities/non-profit organizations (NPOs)/non-governmental organizations (NGOs), competent authorities, and suppliers. SinoPac Holdings has established diversified communication channels for each stakeholder group to promptly respond to their needs and concerns.

Stakeholder Communication Channels and Concerned Topics

Stakeholder	Significance to SinoPac Holdings	Communication Channel	Frequency	Concerned Topics	Referring Chapters
Employees	SinoPac Holdings values employees' development in the organization as well as their physical and mental health. SinoPac Holdings provides comprehensive on-the-job training, a fair performance evaluation system, and benefits for employees to grow in the organization, to fulfill corporate responsibilities and create value for society.	Company labor union (including labor-management meeting)	Regularly/ Irregularly	• Corporate Governance • Digital Financial Innovation • Competitive Compensation and Benefits • Talent Cultivation • Corporate Human Rights and Diversity and Inclusion	Special Chapter 1 Business Strategy and Performance 2.1 Corporate Governance 2.2 Ethical Corporate Management and Legal Compliance 3.3 Smart Finance 4 Fulfillment of Healthy Workplace
		Product seminars / education and training	Irregularly		
		Internal feedback platform/ commendation announcements	Irregularly		
		Employee satisfaction survey	Annually		
		Internal digital platform education and training	Irregularly		
Customers	SinoPac Holdings upholds the sustainability vision of "fulfillment of a beautiful life through finance" and maintains friendly and close relations with customers. The establishment of customer feedback mechanisms and improvement of customer satisfaction have always been important issues for the financial service sector.	Customer service hotline	Irregularly	• Corporate Governance • Information Security and Cybersecurity • Sustainable Finance • Financial Service Quality • Digital Financial Innovation	Special Chapter 1 Business Strategy and Performance Special Chapter 2 Business and Profit Models of SinoPac's Subsidiaries 2.1 Corporate Governance 2.2 Ethical Corporate Management and Legal Compliance 2.4 Information Security/Cybersecurity 3.1 Sustainable Finance Strategy 3.2 Sustainable Financial Products and Services 3.3 Smart Finance 3.4 Customer Relations
		Smart customer services	Irregularly		
		Virtual channels (internet banking, mobile banking)	Irregularly		
		Customer opinions	Irregularly		
		Seminars	Irregularly		
		Customer satisfaction surveys	Irregularly		
		Customer grievance	Irregularly		
		Other channels	Regularly/ Irregularly		
Shareholders (Investors)	Transparent information disclosure is the basis of corporate operations. SinoPac Holdings facilitates investors to understand the company's investment value through communications and convey the company's operating strategy, profitability, return on investment, and sustainable governance.	Operating performance	Monthly	• Protection of Shareholders' Right • Corporate Governance • Risk Management • Sustainable Finance • Digital Financial Innovation	1 About SinoPac Holdings Special Chapter 1 Business Strategy and Performance Special Chapter 2 Business and Profit Models of SinoPac's Subsidiaries 2.1 Corporate Governance 2.2 Ethical Corporate Management and Legal Compliance 2.3 Risk Management 3.1 Sustainable Finance Strategy 3.2 Sustainable Financial Products and Services 3.3 Smart Finance
		Investors' conferences organized by SinoPac Holdings	Quarterly		
		Investors' conferences, non-deal roadshows (NDRs), and telephone conferences organized by SinoPac Holdings or broker	Irregularly		
		Investor relations contact person on the official website and Market Observation Post System	Irregularly		
		Annual shareholders' meetings	Annually		

Stakeholder	Significance to SinoPac Holdings	Communication Channel	Frequency	Concerned Topics	Referring Chapters
Media	SinoPac Holdings maintains a good relationship with the media to convey corporate information and expand social influence to shape the company's positive image.	Press conference	Irregularly	• Protection of Shareholders' Right • Information Security and Cybersecurity • Sustainable Finance • Digital Financial Innovation • Financial Service Quality	1 About SinoPac Holdings Special Chapter 1 Business Strategy and Performance Special Chapter 2 Business and Profit Models of SinoPac's Subsidiaries 2.4 Information Security/Cybersecurity 3.1 Sustainable Finance Strategy 3.2 Sustainable Financial Products and Services 3.3 Smart Finance 3.4 Customer Relations
		Press release	Irregularly		
Communities/ NPOs/ NGOs	SinoPac Holdings actively invests in social welfare, encourages employees to engage in volunteer services and plans featured activities based on operating locations, and invites customers to join along to achieve the goal of combining core business resources with public welfare projects.	Sponsorship for arts and culture, academic, and sports activities	Irregularly	• Sustainable Finance • Talent Cultivation • Occupational Health and Safety • Climate Change and Net Zero Strategy • Corporate Citizenship and Philanthropy	Special Chapter 3 Pave the way for Net Zero Emissions 2.3 Risk Management 3.1 Sustainable Finance Strategy 3.2 Sustainable Financial Products and Services 4 Fulfillment of Healthy Workplace 5.1 Green Operations 6 Fulfillment of Inclusive Growth
		Industry-academia cooperation	Irregularly		
Competent Authorities	Financial industry is highly regulated by the competent authority. It is the responsibility of SinoPac Holdings to comply with relevant regulations and establish a control mechanism while responding to relevant government policies.	Policies recommendations	Irregularly	• Protection of Shareholders' Right • Corporate Governance • Risk Management • Sustainable Finance • Financial Service Quality	1 About SinoPac Holdings Special Chapter 1 Business Strategy and Performance Special Chapter 2 Business and Profit Models of SinoPac's Subsidiaries 2.1 Corporate Governance 2.2 Ethical Corporate Management and Legal Compliance 2.3 Risk Management 3.1 Sustainable Finance Strategy 3.2 Sustainable Financial Products and Services 3.4 Customer Relations
		Financial statements	Monthly, quarterly, semi-annually, annually		
		Letters/emails/meetings	Irregularly		
Suppliers	In response to the trend of sustainable supply chain management and to expand the social influence, SinoPac Holdings invited suppliers and contractors to implement corporate social responsibility together.	Website or tender briefing about the tender announcement	Irregularly	• Corporate Governance • Information Security and Cybersecurity • Sustainable Finance • Occupational Health and Safety • Supplier Co-prosperity	2.1 Corporate Governance 2.2 Ethical Corporate Management and Legal Compliance 2.4 Information Security/Cybersecurity 3.1 Sustainable Finance Strategy 3.2 Sustainable Financial Products and Services 4.4 Happy Workplace Environment 5.2 Sustainable Supply Chain
		Electronic bidding system	Irregularly		
		Price negotiation meeting	Irregularly		
		Supplier Conference and ESG training	Irregularly		
		Supplier Evaluation	Annually		

Identification and Disclosure of Material Topics

To identify material topics, SinoPac Holdings continuously follows and gains insights from international sustainability trends and industry benchmark peers and reviews the material topics in accordance with the guidance and spirit of "GRI 3: Material Topics". By integrating results of due diligence and internal stakeholder surveys annually and conducting questionnaires for external stakeholders biennially, SinoPac Holdings identifies material topics that have significant internal and external impacts on the economy, environment, and people. In 2023, SinoPac Holdings distributed an impact questionnaire to understand internal and external stakeholders' assessment results of the impact on the external environment and people. Questionnaire were distributed to the 7 stakeholder groups, with 431 completed surveys with valid responses received. SinoPac Holdings then incorporated the results of the survey and the major events occurred in 2023 to adjust the materiality level of the impact issues. After completing the above-mentioned analysis, SinoPac Holdings has identified 19 material topics, of which 9 were critical topics, 8 were important topics, and the other 2 were basic topics. Furthermore, we also identify double materiality topics with significant impact on external parties and the operation of the Company in accordance with the double materiality principle.

Procedures for the Identification of Material Topics

	Identification Step	Description
1	Identification of Stakeholders	Track market trends and review the stakeholder groups.
2	Focus on positive and negative impacts	Identify the potential positive and negative impacts of the issues by referring international sustainability assessments and the requirements related to governance, environmental, and social of the Sustainability Accounting Standards Board (SASB) for banks. Describe the economic, environmental, and people impact of the Company's operations.
3	Due diligence and stakeholder engagement	Collect feedback from internal and external stakeholders through due diligence (i.e., major event investigation) and stakeholders communication channels, to complete the inventory and verification of the actual and potential impact of issues.
4	Impact assessment	Collect the opinions of internal and external stakeholders through the questionnaire and analyze the significance of each positive impact issue and negative impact issue based on the" level of impact" and "likelihood of occurrence" dimension of the issues.
5	Impact matrix	Generate a matrix of negative and positive material impact issues based on the analysis results. Prioritize the impacts based on scores from highest to lowest to identify the critical, important, and basic impacts.
6	Confirm the priority of material topics	Consolidate the negative impact issues and positive impact issues into material topics. Identify the critical topics, important topics, and basic topics based on the level of impact (positive or negative impacts that are higher) and raise the level of importance of human right related topics, referring the results of the human rights due diligence survey.
7	Financial materiality assessment	Executives and senior managers rate the impact of material topics on the Company's costs, revenue, goodwill, and risks.
8	Double materiality matrix	Generate the double materiality matrix and identify double materiality topics according to the "level of external impact" and "financial materiality" of material topics.
9	Internal review and adjustments	Review and adjust the material topics matrix and lists annually according to conditions in the current year based on international sustainability trends, changes in policies and regulations, and the Company's operation plans. Submit the identification results to the Sustainable Development Committee and disclosed it in the Sustainability Report upon the Chairman's approval.

Due Diligence Mechanisms for Material Topics

SinoPac Holdings implements due diligence in different parts of the value chain to monitor the potential risks of the Company's operations on different stakeholders, identify and prevent potential negative impact and to formulate follow-up mitigation and response measures.

Suppliers	SinoPac's Own Operations		Customers	
	Employees	Operations Governance	Corporate Finance	Retail Finance
• Suppliers Assessment • Suppliers' Self-Evaluation • Suppliers Audit (Referring to 5.2 Sustainable Supply Chain)	• Employee satisfaction survey • Occupational Health Risk Assessment (Referring to 4.4 Happy Workplace Environment)	• Compliance Self-Evaluation • Personal Data Protection Self-Assessment (Referring to 2.2.1 Ethical Corporate Management Culture, 2.5.2 Privacy and Security Management)	• Customer Due Diligence (Referring to 2.2.2.3 Customer Due Diligence) • Project Finance Environment and Social Due Diligence (Referring to 3.1.3 Responsible Lending)	• Consumer Dispute Complaints Analysis • Customer Satisfaction Survey, Telephone Service Satisfaction Survey • Phone service quality control (Referring to 3.4.2 Customer Satisfaction and Customer Feedback Mechanism)

• Material Issues Impacts Analysis • Human Rights Risk Due Diligence
(Referring to 2.3.7 Human Rights Risk Identification and Management)

Impact Assessment and Impact Matrix

Referring and following the principles of "GRI 3: Material Topics", SinoPac Holdings conducted a questionnaire to implemented materiality assessments based on the factors of "level of impact" and " likelihood of occurrence" to learn about the scale/scope and severity of impact of sustainability issues as well as their frequency and probability of occurrence, and to evaluate the materiality of the positive and negative impacts of each issue.

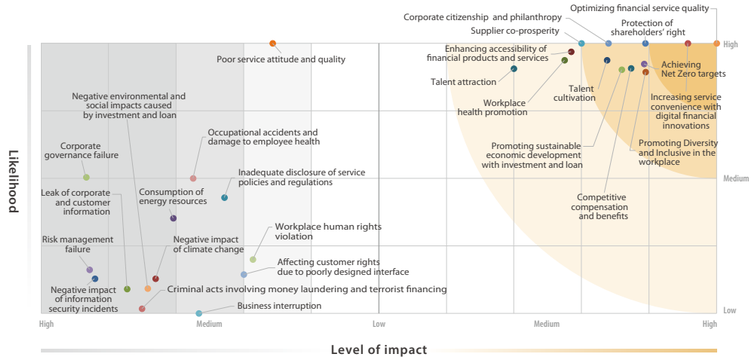
Description of the Negative Impact Matrix

For negative impacts, we must first consider their irremediable characteristics. Therefore, the issues with negative impact are ranked in a matrix based on the significance of impact, and issues with an impact level higher than 3 (moderate or higher) are defined as negative material impacts.

Description of the Positive Impact Matrix

For positive impacts, we must consider both their "scale and scope" and the "likelihood of occurrence". Therefore, the materiality of the issues is ranked by the multiplier of the two factors, and issues with a materiality score higher than 20 points (high impact and high likelihood of impact) are defined as positive material impacts.

Positive and Negative Impact Matrix



Description of the prioritization of Material Topics

Based on the prioritization of the impact in the preceding stage, SinoPac Holdings evaluated both the positive and negative impact and sum up 19 material topics that impact the external environment, economy, and society, and then identify the critical, important, and basic topics listed in the table below.

Negative Impact	Positive Impact	Material Topics
● Corporate governance failure	-	Corporate governance
● Risk management failure	-	Risk management
● Negative impact of information security incidents	-	Information security and cybersecurity
● Leak of corporate and customer information	-	Privacy protection
● Negative environment and social impacts caused by investment and loan	● Promoting sustainable economic development with investment and loan	Sustainable finance
● Negative impact of climate change	● Achieving Net Zero targets	Climate change and net zero strategy
● Consumption of energy resources		
● Criminal acts involving money laundering and terrorist financing	-	Compliance and money laundering prevention
● Affecting consumer rights due to poorly designed interface	● Increasing service convenience with digital financial innovations	Digital financial innovation
● Inadequate disclosure of service policies and regulations	● Optimizing financial service quality	Financial service quality
● Poor service attitude and quality		

Negative Impact	Positive Impact	Material Topics
-	● Protection of shareholders' right	Protection of shareholders' right
-	● Talent cultivation	Talent cultivation
-	● Supplier co-prosperity	Supplier co-prosperity
● Occupational accidents and damage to employee health	● Workplace health promotion	Occupational health and safety
● Business interruption	-	Operational resilience
● Workplace human rights violation	● Promoting Diversity and Inclusion in the workplace	Corporate human rights and diversity and inclusion
-	● Competitive compensation and benefits	Competitive compensation and benefits
-	● Corporate citizenship and philanthropy	Corporate citizenship and philanthropy
-	● Enhancing accessibility of financial products and services	Enhancing accessibility of financial products and services
-	● Talent attraction	Talent attraction

● Critical topics ● Important topics ● Basic topics Human right topics

Topic classification:	Definition
● Critical topics	Topics with high level of impact on the economy, environment, and people and high likelihood of occurrence. Provide full explanation in the Sustainability Report in accordance with related GRI Standards and disclose detailed management and performance of the topics in.
● Important topics	Topics with medium level of impact on the economy, environment, and people and medium likelihood of occurrence. Provide full explanation in the Sustainability Report according to GRI Standards and disclose key management and performance of the topics.
● Basic topics	Topics with low level of impact on the economy, environment, and people and low likelihood of occurrence. Most of them are routine issue to be considered as the basic management topic. Only necessary follow-ups are disclosed in the Sustainability Report.

Explanation of Changes in Material Topics in 2023

Material analysis result in 2023 remained 19 material topics, of which 9 critical topics, 8 important topics, and 2 basic topics.

	Reasons for adjustment	Topics affected
Change in materiality	Change the materiality of the topic based on the results of the impact assessment and impact matrix, findings of human rights due diligence, domestic and international policies, and trends, as well as SinoPac's current priorities.	• "Protection of Shareholders' Right" was downgraded to important topic from critical topic. • "Competitive Compensation and Benefits" was upgraded to important topic from basic topic. • "Corporate Citizenship and Philanthropy" was upgraded to important topic from basic topic.

Material topics management approach and description of impact

Material Topic		Corporate Governance	Risk Management	Information Security and Cybersecurity	Privacy Protection	Sustainable Finance	Climate Change and Net Zero Strategy
Level of Materiality		Critical	Critical	Critical	Critical	Critical	Critical
Reasons of Materiality		Corporate governance and integrity management of the financial industry are the focus of attention of all stakeholders. A perfect corporate governance is conductive to optimize the sustainable development of the company and is served as the basis of business operation.	Competent authority's policy and both domestic and foreign rating agencies are focusing on the scope and importance of risk management issues and have listed climate risk as a part of risk management, while COVID-19 epidemic and major changes in international politics increased operational risks and uncertainties and therefore caused international investors and companies to pay more attention to emerging risks.	The financial industry involves a large number of business transactions and information retention and therefore a safe and secure network management and information processing system are important issues for business operations.	Business operations of SinoPac Holdings often involve customer privacy and therefore stakeholders pay close attention to SinoPac's security measures. This includes establishing a Privacy Policy and specifying the guidelines for the use of personal data.	Sustainable finance is an important policy of competent authority and is also SinoPac Holdings' important action plan for the sustainability commitment of "Mitigate and Adapt to Climate Change". The Company integrated ESG into the investment and financing policies and also committed to develop sustainable financial products actively.	SinoPac Holdings has included climate strategy as a part of the sustainability strategies. The Company has committed to achieving net zero emissions in its own operations by 2030 and all financial portfolios by 2050. It also regularly reviews the consumption and management of energy resources needed for operations, promote energy conservation and carbon reduction, to know the material impact of business operations on the environment.
Description of impact		[Economic] Poor corporate governance and gross negligence or dishonesty, corruption, fraud may affect the overall financial system or economic order.	[Economic] Inappropriate management of external emerging risks or internal credit, market, operational and liquidity risks, interest rate risk in the banking book and other risks may result in material non-compliance or operating losses that affect the overall financial system or economic order.	[Economic/People] Inappropriate information and cybersecurity management may cause business interruption, leaks of personal data, material losses, or legal liabilities for compensation, which would violate the rights and interests of related stakeholders.	[People] A security breach or cyberattack or blackmail by hackers may cause leaks of personal data of customers, employees, or suppliers, or confidential/sensitive business information, which would violate the rights and interests of related stakeholders.	[Positive] [Economic/Environmental] Directing funds to green and low-carbon economic activities and those contribute to climate adaptation through loans and investment, so as to mitigate environmental problem, reduce energy consumption, and increase the climate resilience of the overall economic system. [Negative] [Economic/Environmental/People] Failure to consider ESG in investment and loan activities and provide funds to companies with poor ESG performance to support their operations may create potential economic, environmental, and social risks.	[Positive] [Economic/Environmental] SinoPac Holdings has proposed the commitment to net zero emissions and will lead the industry to attain the net zero transformation and reduce the impact on the environment. [Negative] [Economic/People/Environmental] GHG emissions exacerbated the greenhouse effect and causes climate-related disasters, which in turn affect the economy, environment, and people. The depletion of energy and resources also give rise to environmental impacts.
GRI/SASB/TCFD Standards Disclosure		GRI 205: Anti-Corruption 2016 GRI 405: Diversity and Equal Opportunity 2016 SASB FN-CB-510 Business Ethics SASB FN-IB-510a Business Ethics SASB FN-IB-510b Professional Integrity SASB FN-IB-550b Employee Incentives and Risk Taking	GRI 201: Economic Performance 2016 SASB FN-CB-550 Systematic Risk Management SASB FN-IB-550a Systemic Risk Management SASB FN-MF-450 Environmental Risk to Mortgaged Properties TCFD-Governance/ Strategy/ Risk Management	SASB FN-CB-230 Data Security SASB FN-CF 230 Data Security	GRI 418: Customer Privacy 2016 SASB FN-CF-220 Customer Privacy	G4 - Financial Services Sector Supplement: Product Portfolio G4 - Financial Service Sector Supplement: active Ownership SASB FN-CB-410a Incorporation of Environmental, Social, and Governance Factors in Credit Analysis SASB FN-CB-410b Financed Emissions SASB FN-MF-270b Discriminatory Lending SASB FN-IB-410 Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	GRI 201: Economic Performance 2016 GRI 302: Energy 2016 GRI 305: Emissions 2016 GRI 306: Waste 2020 SASB FN-CB-410a Incorporation of ESG Factors in Credit Analysis SASB FN-CB-410b Financed Emissions SASB FN-MF-450 Environmental Risk to Mortgaged Properties TCFD-Governance/ Strategy/ Risk Management/Metrics and Targets
Referring Chapters of Management approach		2.1 Corporate governance 2.2.1 Ethical Corporate Management Culture	Special Chapter 3 Pave the way for Net Zero Emissions 2.3 Risk management	2.4 Information Security/Cybersecurity	2.5 Privacy and Security	3.1 Sustainable Finance Strategy 3.2 Sustainable Financial Products and Services	Special Chapter 3 Pave the way for Net Zero Emissions 2.3.5 Climate Change Risk Management 3.1 Sustainable Finance Strategy 3.2.1 Green Finance 5.1 Green Operations
Direction of Impact	Negative	●	●	●	●	●	●
	Positive					●	●
Range of Impact	Suppliers						●
	SinoPac Holdings and Subsidiaries	●	●	●	●	●	●
	Customers			●	●	●	●

Material topics management approach and description of impact

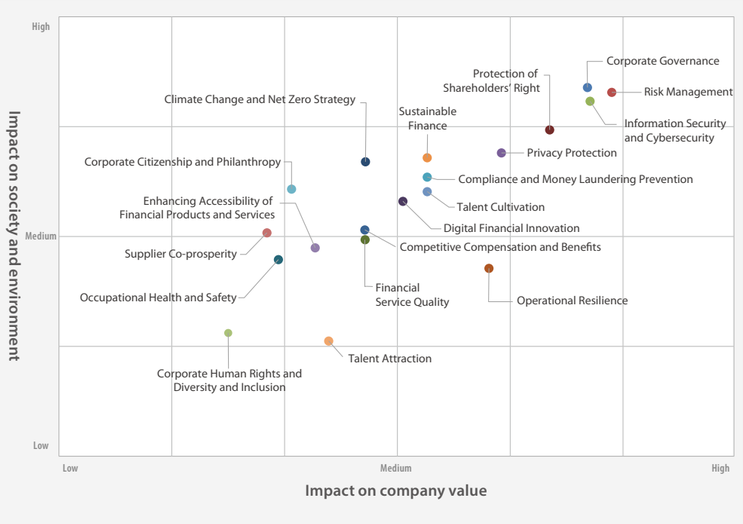
Material Topic		Compliance and Money Laundering Prevention	Digital Financial Innovation	Financial Service Quality	Protection of Shareholders' Right	Talent Cultivation	Supplier Co-prosperity	Occupational Health and Safety
Level of Materiality		Critical	Critical	Critical	Important	Important	Important	Important
Reasons of Materiality		Financial industry is highly monitored by the competent authority. All stakeholders are concerned about how SinoPac Holdings complies with relevant regulations and establishes a control mechanism and how to respond to relevant government policies. Among them, the policies that the government has strongly promoted in recent years including the prevention of money laundering, combating the financing of terrorism and fraud are closely related to SinoPac's operations and its customers, and are also the basic responsibilities of the financial industry.	With the development of technology and changes in consumption patterns, FinTech innovation has become a main issue in the international financial industry in recent years. SinoPac Holdings also listed digital transformation as one of the main business strategies.	SinoPac Holdings upholds the vision of "Fulfillment of a Beautiful Life Through Finance". Maintain friendly and close relations with customers, establish customer feedback mechanisms and improve customer satisfaction have always been important issues for the financial service sector.	Shareholders value business operations and profitability. A company with good financial performance can continue to support business operations, actively respond to shareholders' demands, and protect the rights of shareholders.	SinoPac Holdings values employees' career development and commits to provide comprehensive on-the-job training and fair performance evaluation system to improve employees' capabilities. It is not only a topic of concern to employees but also an important topic for enterprises to create influence in society.	Suppliers are the important business partners of SinoPac Holdings and they play key roles in the value chain.	Paying attention to employees' physical and mental health and taking relevant measures to ensure compliance in the workplace .
Description of impact		[People] Illegal use of financial services facilitates economic crimes and terrorism and causes social unrest.	[Positive] [Economic/People] Increase the convenience and digitalization of the overall financial environment; enhance the convenience for customers in the use of financial services by providing digital financial services. [Negative] [People] System anomalies for account opening/transaction/accounts causes a violation of customers' rights and interests or complaints.	[Positive] [Economic/People] Optimize customer experience and provide them better services by improving the quality and efficiency of financial products and services. [Negative] [People] Customer misunderstandings or negative feelings due to inadequate disclosure or communication of service policies and related laws and regulations; employees' negligence, poor service attitude, or failure to explain matters causes a violation of customers' rights and interests or complaints.	[Economic/People] Company implements appropriate business strategies, achieves effective business operations, and continues to be profitable to respond to the needs of shareholders, and to create higher economic value for the country and shareholders.	[Economic/People] Promote the growth of related knowledge of professionals in the industry to support the overall development of the industry; provide comprehensive training programs to enhance employees' competitiveness in their roles and support their future career development.	[Economic] Promote supplier development through procurement and thereby increase the overall economic resilience of the industry value chain.	[Positive] [People] Implement continuous improvements of the workplace environment and safety and health to provide employees with good jobs and development opportunities. [Negative] [People] The rights and interests of employees, suppliers, and other stakeholders are affected by occupational injuries or accidents.
GRI/SASB/TCFD Standards Disclosure		SASB FN-CB-510 Business Ethics	GRI 203: Indirect Economics Impacts 2016	GRI 417: Marketing and Labeling 2016 SASB FN-CF-270 Selling Practices SASB FN-MF-270a Lending Practices	GRI 201: Economic Performance 2016 G4-FS6 Percentage of the portfolio for business line by specific region, size and by sector	GRI 404: Training and Education 2016	GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016	GRI 403: Occupational Health and Safety 2018
Referring Chapters of Management approach		2.2.1.3 Legal Compliance 2.2.2 Financial Crime Prevention - Anti-Money Laundering and Counter Terrorism Financing	3.3 Smart Finance	3.4 Customer Relations	1 About SinoPac Holdings Special Chapter 1 Business Strategy and Performance Special Chapter 2 Business and Profit Models of SinoPac's Subsidiaries	4.2.2 Talent Cultivation	5.2 Sustainable Supply Chain	4.4.3 Occupational Health and Safety
Direction of Impact	Negative	●	●	●				●
	Positive		●	●	●	●	●	●
Range of Impact	Suppliers						●	
	SinoPac Holdings and Subsidiaries	●	●	●	●	●	●	●
	Customers	●	●	●				

Material topics management approach and description of impact

Material Topic		Operational Resilience	Corporate Human Rights and Diversity and Inclusion	Competitive Compensation and Benefits	Corporate Citizenship and Philanthropy	Enhancing Accessibility of Financial Products and Services	Talent Attraction
Level of Materiality		Important	Important	Important	Important	Basic	Basic
Reasons of Materiality		In the post pandemic era, the uncertainty caused by the emerging risks (i.e., introducing generative AI into operations, geopolitical conflicts) brought significant impacts on business operations. Improving operational resilience allows companies to predict the risk probability and take corresponding actions while accelerating corporate transformation.	Establishing human rights policies that comply with international human rights principles and taking practical actions to prevent infringement and violations of human rights, to implement workplace equality, diversity, and inclusion.	SinoPac Holdings offers competitive remuneration and comprehensive benefits to employees to create competitive products and services for the Company and create value for the society.	The facilitation of social welfare activities including donations to disadvantaged groups and the support and assistance for the development of local communities have material impact on society.	"Reduce Inequality" is one of SinoPac's three Sustainability Commitments. Approaching different types of customers by different financial products and services, and then enhance the financial accessibility for financially disadvantaged groups. It is the key element to create positive impact on society.	Employees are the most important assets for companies. SinoPac Holdings understands the importance of having diverse talents and prioritizes talent selection and retention. The Company also committed to building a diverse and competitive talent pool to create value together.
Description of impact		[Economic/People] Interruption of financial services may cause instability and service unavailable in the financial market, the corporates and the public cannot access to financial services, which would in turn cause economic stagnation and social unrest.	[Positive] [People] Protect the rights of disadvantaged groups such as women and people with disabilities, and create a workplace environment of diversity, equality and free from discrimination and harassment. [Negative] [People] Inappropriate treatment or discrimination against employees, suppliers, and customers, or excessive overtime work / forced labor.	[Economic/People] Offering employees good jobs and development opportunities with competitive salary and benefits to promote the healthy development of the industry.	[People] Support the economically disadvantaged or other special groups through public welfare/charity activities or partnerships with charity organizations.	[Economic/People] Provide favorable or additional financial services to disadvantaged or special groups to increase the convenience in their use of financial services. Support business transformation and industrial development to drive business activities with greater social benefits.	[Economic/People] Attract talents with different skills and professional backgrounds and provide them job opportunities in finance to increase employment rate and then support the stable development of the financial sector.
GRI/SASB/TCFD Standards Disclosure		GRI 203: Indirect Economics Impacts 2016	GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-Discrimination 2016 GRI 407: Freedom of association and collective bargaining 2016 GRI 414: Supplier Social Assessment 2016	GRI 201: Economic Performance 2016 GRI 202: Market Presence 2016 GRI 401: Employment 2016	GRI 201: Economic Performance 2016 SASB FN-CB-240 Financial Inclusion & Capacity Building	GRI 203: Indirect Economics Impacts 2016 G4 - Financial Services Sector Supplement: Product Portfolio and Local Communities SASB FN-CB-240 Financial Inclusion & Capacity Building SASB FN-MF-270b Discriminatory Lending	GRI 401: Employment 2016 GRI 405: Diversity and Equal Opportunity 2016 SASB FN-IB-330a Employee Diversity & Inclusion
Referring Chapters of Management approach		2.3.4.2 Operational Resilience	2.3.7 Human Rights Risk Identification and Management 4.4.3.3 Workplace Equality and Anti-Discrimination	4.3 Employee Compensation and Benefit	6 Fulfillment of Inclusive Growth	3.2.2 Social Finance	4.2.1 Talent Attraction 4.3 Employee Compensation and Benefit
Direction of Impact	Negative	●	●				
	Positive		●	●	●	●	●
Range of Impact	Suppliers	●	●				
	SinoPac Holdings and Subsidiaries	●	●	●	●	●	●
	Customers	●			●	●	

Double Materiality Analysis

In addition to considering the impact of material topics on the external economy, environment, and people, SinoPac Holdings also adopted the double materiality analysis in 2023 to understand the potential financial impact of related risks on the Company, to develop the Company's business management strategies, and allocate resources effectively. SinoPac Holdings' executives and senior managers rate the financial materiality of the aforementioned materiality topics on the Company's costs, revenue, reputation, and risks. Then the external impact level was incorporated to identify the double materiality topics that have significant impact on both internal and external entities and create the double materiality matrix.



SinoPac Holdings pays close attention to the strategy planning and implementation of double materiality topics. Each year, we set key indicators and long-term goals for the top three double materiality topics based on global trends on sustainability, government policies, and internal business strategies, and implement continuous adjustments.

Double materiality topic	Key indicators	Long-term goals (2028)	Implementation status
Risk Management	Risk management effectiveness and efficiency	Continue to improve a visualized "Integrated Risk Management center" and build a smart tracking or early warning mechanisms based on customer risk map combined with negative news and automatic delivery function.	The Company have established the Integrated Risk Information System (IRIS) and used "data visualization platform " to establish "Integrated Risk Management center" and using AI tools to enhance risk parameters or negative news, set up smart risk tracking, monitoring, and early warning mechanisms.
	GHG emissions of investment and loan portfolios	Complete the inventory, monitoring, and disclosure of Scope 3 emissions, expand the scope of the Scope 3 investment and loan, and increase the data quality of inventory information.	The Company have completed the GHG emissions inventory and calculation of Scope 3 investment and loan portfolios based on the PCAF methodology as of December 29, 2023, and compiled "PCAF accounting Form SOP Operation Manual" to ensure the timeliness of accounting and human judgment gaps to effectively improve data quality.
Corporate Governance	External evaluation of corporate governance	Ranked in the top 5% of the TWSE listed companies.	Ranked in the top 6% - 20% of the TWSE listed companies in the 9th Corporate Governance Evaluation. The Company reviews the evaluation results and updated evaluation indicators and assign personnel to participate in corporate governance evaluation courses organized by TWSE every year, to improve lacking projects, and then proposes specific improvement plans.
	Reinforcement of the functional duties of the Board of Directors	1. Establishment of the Nomination Committee. 2. Creation of other functional committees such as the Sustainable Development Committee and Risk Management Committee. 3. Maintain the ratio of female Directors above 1/3. 4. Continue to increase the average term of the Directors.	1. The Company shall set up the Nomination Committee in accordance with the implementation schedule of the "Corporate Governance 3.0 - Sustainable Development Roadmap," initiated by the Financial Supervisory Commission. 2. Evaluation of set up functional committee by considering policy promotion schedule, company operation situation, background, and schedule of board members, and consider restructuring the Sustainable Development Committee and Risk Management Committee to become the functional committees of the Board of Directors based on practical needs. 3. The Company elected the 8th Board of Directors in the shareholders' meeting on May 24, 2023. The 8th Board of Directors consists of 7 Directors including 3 female Directors, account for more than 40% directors in the board. 4. As two Independent Directors have served three consecutive terms and cannot be reappointed, the average term of the Directors in 2023 decreased compared to 2022. The average term of Directors in the following years will gradually increase as time passes.
	The percentage of executives' ESG-linked compensation	Expand the scope of ESG-linked compensation to management-level. (All SinoPac Holdings)	The Company has set ESG performance targets and linked to variable compensation for the President and executives and completed the introduction of long-term incentive. please refer to 2.1.4.2 Senior Executive Sustainability Performance Targets.
	The percentage of the executive stock ownership	Optimize the requirements and the minimum percentage of stock ownership for executives.	In 2024, the Company conducted internal communication on the minimum percentage of stock ownership for executives.
Information Security and Cybersecurity	Maintenance of external information security verification	Bank SinoPac and SinoPac Securities continuously maintain the certification of ISO/IEC 27001 information security management system.	The IT units of Bank SinoPac and SinoPac Securities have obtained and will continue to maintain the ISO 27001 information security management system certification and strengthen information security mechanisms and personal data protection.
	Information security defense capabilities	Block potential information security threats and quickly reduce the response time for information security risks by means of Integrated Information Security Intelligence Platform to identify the risk of emerging technologies and enhance protection of cybersecurity.	Implement correlation rule calibration, warning classification, and rule adjustments, and produce related daily reports to shorten the response time to real-time alert and response for events found on the next day, and then shorten the response time for information security risks and narrows down the scope of impact. In 2023, the Company completed introduction of countermeasures to the cybersecurity risks that ChatGPT may cause.
	Frequency and passage rate of information security risk and vulnerability tests	Conduct the tests, scans, and exercises for information security maintenance items within the specified period with 100% passage rate.	Bank SinoPac and SinoPac Securities have appointed external institutions to implement information security risk and vulnerability tests at predetermined intervals and completed the tests, scans, and exercises within the specified period.
	The establishment of information security incident notification compilation mechanism	Use the compilation mechanisms for daily information security incident reporting records to analyze the types of incidents and response methods, improve the effectiveness of detection, and reduce errors in judgments.	Uncover potential information security incidents with daily reviews of the information security inspection reports to reduce threats and impact, continue to hold monthly meetings of the information security intelligence center to review the monitoring and control measures of terminal hosts, accounts with special privileges, user actions, and threat hunting for analysis and discussions.
	Business continuity exercises	Bank SinoPac continuously maintains the verification of ISO/IEC 22301 Business Continuity Management System.	Bank SinoPac has obtained and will continue to maintain ISO 23301 Business Continuity Management System certification to actively reduce the impact of emergency events and keep business operations running during crises.
	Promote information security defense simulation and reporting and response exercises based on the hacker mindset	Conduct information security exercises based on requirements in the Financial Cyber Security Action Plan 2.0, initiated by the Financial Supervisory Commission.	Bank SinoPac plans to complete the information security defense simulation and reporting and response exercises based on the hacker mindset in 2023.

Sustainable Development Performance Highlights in 2023

Decarbonization Commitment	Net Zero Commitment	GSS Bonds	Green Energy Technology	GHG Inventory
Expand decarbonization business restrictions and **Continue to develop more aggressive decarbonization policy** (Note) Note: SinoPac Holdings expanded the scope of the decarbonization policy since July 1, 2023, to include investment and lending of thermal coal mining and coal-fired power generation. SinoPac Holdings continues to develop more aggressive decarbonization policy. Please refer to the website for the latest developments.	**Received SBTi validation for our science based GHG reduction target**	Cumulative issuance of **NT$10.4 billion** in GSS bonds	**Serve as first case of mandated lead arranger for solar energy plants and energy storage system which is the biggest electricity farm in Taiwan**	Continuously maintain **100%** GHG Inventory for domestic and overseas business sites

Use of Green Electricity	Carbon credit trading	Internal Carbon Pricing	Supplier commitment
Signed a Power Purchase Agreement (PPA) and **plans to import 6.74 million kWh of green electricity each year**	**Purchased 10,000 tons of carbon credit in the first batch of transactions** on Taiwan Carbon Solution Exchange	**Expansion of internal carbon pricing mechanism** to SinoPac Holdings and its one down level subsidiaries	**100% of the suppliers signing** the " Supplier Sustainability Commitment "

Employee Satisfaction	Charity Donation Platform	SinoPac Store Power up Project	Diverse and Equal Workplace	Financial fraud prevention
The employee satisfaction rate reached **90%** for two consecutive years	Built a convenient donation platform for social welfare/charity organizations, attracted **70** organizations, raised over **NT$39 million** of funds, and continued to expand SinoPac Holdings' impact	SinoPac Foundation launched the Project to establish a platform that provides resources and supports for the business development of small stores in Taiwan and nearly **300 stores** submitted project proposals seeking the support in the second session	Included in the **Bloomberg Gender Equality Index (GEI)**, and won **"Age Friendly Business Certification"** by Department of Labor, Taipei City Government in 2023	established fraud preventio mechanism and cooperated with government units. In 2023, branches in Taiwan blocked **499 cases** of suspected fraud and the cumulative amount totaled **NT$318 million**

DJSI	Corporate Governance Evaluation	MSCI ESG Ratings	Supply Chain Engagement	Information Security Management	Sustainability information disclosure
Constituent of **Dow Jones Sustainability World Index** and **Dow Jones Sustainability Emerging Markets Index**	**Ranked in the top 6% - 20% among TWSE listed companies**	**Ranked AA (leader)** for two consecutive years	**Ranked Leadership A** in CDP Supply Chain Engagement Rating	Continuously implement **ISO 27001 Information Security Management System Certification, ISO 22301:2019 Business Continuity Management System and BS 10012 Personal Information Management System (PIMS)**	**TCFD report** received the **highest level of "Level 5+: Excellence" certification** from the British Standards Institute (BSI)

Awards and Honors

In 2023, SinoPac received 231 domestic and international awards in total.

Sustainable Governance

- Ranked top 5% in the S&P Global Sustainability Yearbook for three consecutive years
- 《CommonWealth Magazine》 Excellence in Corporate Social Responsibility, Top 50 Corporations for four consecutive years
- 《The Asset》 Benchmark Award – Platinum Award in the ESG Corporate Award for four consecutive years
- 2023 《Taiwan Corporation Sustainability Awards, TCSA》 GCSA Sustainability Reporting - Bronze Class, Information Security Leadership; Won the Top 100 Benchmark Companies for Sustainability, Corporate Sustainability Report Awards – Platinum Award for two consecutive years
- 《Enterprise Asia》 Corporate Sustainability Report in Asia Responsible Enterprise Awards(AREA) for two consecutive years
- 《National Enterprise Competitiveness Development Association》- 20th National Brand Yushan Awards – "Outstanding Enterprise", Best Popular Brand: Innovative Business Model, Futures Manager Business
- 2023 《Asiamoney》 Private Banking Awards 2023 "Best Digital Private Bank in Taiwan"
- 《Forbes》 World's Best Bank for three consecutive years
- 2023 《Taiwan Sustainable Investment Awards》 – Excellence Award for Institutional Influence in Securities Group, winning Silver Award for ESG Innovation in Institutional influence Group, and Excellent Award for Institutional influence in Securities Investment Trust Group for two consecutive years
- 2023 《International Business Magazine》 Outstanding Enterprise on Corporate Governance, Best Digital Talent Cultivation Award, Information Security Leadership

Digital Innovation

- 《National Enterprise Competitiveness Development Association》 20th National Brand Yushan Awards – Best Product Award- M360 Automated Marketing Management System, Funfun Mission of Sports Card App, SinoPac Charity Donation Platform(First Prize) , Trust API Application - Digital Innovation and Innovation Service
- 《Excellence》 2023 Best Innovative Trust Service Award and Best Customer Satisfaction Award
- 《Commercial Times》 Premium Award for Banks in Digital Service , and Premium Award for Securities in Digital Inclusive, and Premium Award in Digital Innovation
- 《International Business Magazine》 Taiwan's Best Digital Bank Award, Taiwan's Best Digital Finance Experience Award: DAWHOTOU App
- 《Asian Banking & Finance》 ABF Retail Banking Awards 2023–AI & Machine Learning Initiative of the Year-Taiwan, Mobile Banking & Payment Initiative of the Year – Taiwan, Branch Innovation of the Year – Silver Prize, ABF Wholesale Banking Awards 2023 –Taiwan Domestic Mobile App Initiative of the Year
- 《The Asset》 Triple A Digital Awards 2023 - Best Retail Social Media Banking Experience in Taiwan , Best Biometrics Project in Taiwan , Best Digital Collaboration in Taiwan ; 《The Asset》 Triple A Sustainable Investing Awards 2023 - Best ETF Market Maker - Highly Commended in Taiwan
- 2023 《Asia-Pacific Sustainability Action Awards, APSAA》 – SDG 8 funBIZ Online Collection Service - Bronze Award
- 《Wealth Magazine》 FinTech Innovative Application Award - Best FinTech Securities Premium Award : DAWHOFONE App, Consumer Finance Brand Award –Best Brokerage Customer Recommendation Gold Award, Influential Trust Service Premium Award
- 《The Digital Banker》 Global Transaction Banking Innovation Awards 2023 – Best API Initiative of the Year
- 2023《Asiamoney》 Best Bank Awards – Taiwan's Best Bank for Digital Solutions

Environmental Sustainability

- 《Energy Administration, Ministry of Economic Affairs (R.O.C)》 The only bank in the financial industry to receive the Best Financial Service Provider Award in the Top Solar System Award for eight consecutive years.
- 《Enterprise Asia》 Green Leadership Award in the Asia Responsible Enterprise Awards(AREA) for four consecutive years
- 《Excellence》 Best Green Finance Achievement Award for two consecutive years
- 《Ministry of Environment》 Excellence for Corporate's Green Procurement for three consecutive years
- 2023 《Taiwan Corporation Sustainability Awards, TCSA》 Climate Leader Award for two consecutive years
- 《National Enterprise Competitiveness Development Association》 - 20th National Brand Yushan Awards – Most Popular Brand : Bank SinoPac Financially friendly》 Show Time for Carbon Reduction, Bank SinoPac Exercise Motivation - Moving Forward
- 2023 《Taiwan Sustainability Action Awards, TSAA》 SDG07 - Gold Award, SDG13 - Bronze Award
- 《British Standards Institution, BSI》 TCFD Climate-related Financial Disclosure Report Conformity Check and Maturity Model - Level 5+: Excellence certification: Highest grade verification
- 《Joint Credit Information Center》 Special Contribution Award for Sustainable Financing in the 17th Golden Security, Golden Quality, and Golden Excellence Award

Social Inclusion

- 《Enterprise Asia》 Coporate Governance Award, Responsible Business Leadership Award in the Asia Responsible Enterprise Awards(AREA); Social Empowerment Award in the Asia Responsible Enterprise Awards(AREA) for two consecutive years; Investment in People Award in the Asia Responsible Enterprise Awards(AREA) for three consecutive years
- Included in the Bloomberg Gender Equality Index (GEI) in 2023
- 2023 《Taiwan Corporate Sustainability Awards,TCSA》 – Human Rights Leadership Award, Talent Development Leadership Award, Social Inclusion Leadership Award, Aging-Friendly Leadership Award; Gender Equality Leader Award for three consecutive years
- 《HR Asia》 Best Companies to Work For in Asia for four consecutive years
- 《1111 Job Bank》 Gold Award - Happy Enterprise for three consecutive years
- 《New Taipei City Government》 Family Friendliness and Workplace Equality Measures Award in 2023

1 About SinoPac Holdings

Introduction of SinoPac Holdings

SinoPac Financial Holdings Company Limited consists of subsidiaries in a wide range of financial services including banking, securities, securities investment trusts, leasing, and venture capital. Also, SinoPac Holdings maintains overseas service locations in Hong Kong, Macao, Nanjing, Shanghai, Guangzhou, Chongqing, Chengdu, Yinchuan, Tianjin, Dongguan, Kunshan, Xiamen, Vietnam, Thailand, Myanmar, Los Angeles, and London. With the complete and solid financial landscape, SinoPac Holdings commits to providing comprehensive financial solutions and services for customers.

Profile of SinoPac Holdings

(In NT$ million) (by the end of 2023)

Headquarter	Taipei, Taiwan
Establishment Date	May 9, 2002
Paid-in Capital	123,864
Total Assets	2,771,353
Total Number of Employees	9,376
Industry	Financial and Insurance
TWSE Stock Code	2890

Bank SinoPac

Bank SinoPac's main businesses include corporate banking, retail banking, wealth management, financial services, and electronic banking. In addition to 125 branches and Offshore Banking Unit, Bank SinoPac has overseas branches in Hong Kong, Kowloon, Macau, Los Angeles, Ho Chi Minh City, as well as a Vietnam Representative Office. Bank SinoPac has a subsidiary in mainland China, namely Bank SinoPac (China), with headquarter in Nanjing and 4 branches in Shanghai, Guangzhou, Chengdu, and Nanjing. Bank SinoPac has also established a service network of 11 locations along the Pacific Rim to provide comprehensive financial services to customers.

SinoPac Securities

SinoPac Securities' services include stockbroking, proprietary trading, underwriting, international business, fixed income, and new financial products. SinoPac Securities is one of Taiwan's leading integrated securities companies with 44 service locations in Taiwan and overseas service locations in Hong Kong, Shanghai, and London.

SinoPac Leasing

SinoPac Leasing mainly engages in the leasing business and provides customers with a wide range of flexible financial services. SinoPac Leasing has actively expanded across Asia Pacific as its high-quality services are available at 12 service locations set up in Taiwan, Mainland China, Hong Kong, and Southeast Asia.

SinoPac Securities Investment Trust

SinoPac Securities Investment Trust ("SinoPac SITC" hereinafter) offers a wide variety of products to satisfy customers' diversified investment and financial needs, including mutual funds, ETF, private placement funds, and discretionary investment products. SinoPac SITC currently has 3 operating locations in Taipei, Taichung and Kaohsiung. In 2014, Golden Trust SinoPac Fund Management Co., Ltd. was established as a joint venture with Xiamen International Trust Co., Ltd.

SinoPac Venture Capital

SinoPac Venture Capital focuses on venture capital investment and provides consulting services for investee companies. The Company closely follows global economic, industrial, and technological development, and looks for venture capital investment opportunities for companies with core competences and great growing potential. It also provides added value to the invested companies by bringing in the integrated financial services of the SinoPac Holdings group of companies. SinoPac Venture Capital currently has 1 operating location.

Special Chapter 1

Business Strategy and Performance

SinoPac Holdings continues to fulfill its three major themes of "Supervision and Management," "Strategic Leadership," and "Realization of Synergy," posted a consolidated net profit after tax of NT$19.764 billion, an earnings per share after tax of NT$1.62, a return on equity (ROE) of 11.55% and dividends issued totaled NT$9,707 million in 2023. Furthermore, the three-year (2022~2024) mid-to-long-term strategy proposed in 2022, focusing on digitalization, cross-border, integration, and sustainability, has shown concrete results. Please refer to SinoPac Holdings' Annual Report 2023 for details in operating results and financial performance.

Four major strategic themes and performance in 2023

Accelerating digital transformation

SinoPac Holdings continues to deepen its digital efforts, with digital technology capital expenditure increasing over 20% in recent years, and has achieved remarkable results in digital business, shifting the focus from customer acquisition to providing an advanced wealth management ecosystem through digital channels. SinoPac Holdings also uses data to discover its base of potential customers and utilizes customer value through personalized AI recommendations. Another primary development focus is placed on technology optimization for fraud prevention and risk management, while also improving multi-faceted operational efficiency. Moreover, in response to regulatory authorities' relaxation of cloud regulations, SinoPac Holdings has proactively invested in cloud infrastructure to enhance financial operational resilience, advancing towards multi-cloud deployment.

Boosting overseas revenues and expanding our international presence

SinoPac Holdings continues to reinforce the business characteristics of our overseas locations, striving to meet the cross-border financial service needs of both businesses and high-net-worth customers, and actively entering local retail markets, resulting in an impressive annual growth rate of over 20% in overseas revenue. In the Greater China region, branches of Bank SinoPac (China) maintain close collaboration with those of Hong Kong and Macao, diversifying revenue streams. SinoPac Securities enables professional investors and professional institutional investors to trade in Vietnamese equities through its sub-brokerage business, expanding development in the global securities market. SinoPac International Leasing has also successfully acquired a significant customer base in the local market, with local customers now representing 60% of total assets. SinoPac Holdings also takes advantage of the relocation of the international supply chain to the Southeast Asian region. Bank SinoPac Ho Chi Minh City Branch in Vietnam is committed to developing corporate banking services and driving the digitalization of local consumer banking services.

Providing integrated services to optimizie customer experience

SinoPac Holdings aims to achieve "One SinoPac" through integrated services that elevate customer experience and encourage advocacy for SinoPac. Integration of Bank SinoPac's DAWHO digital account and SinoPac Securities' DAWHOTOU is happening across four key areas: account opening, assets, transactions, and customer management, providing comprehensive financial services that encompass consumption, investment, savings, and flexible funds. Bank SinoPac and SinoPac Securities are reengineering the account opening and service processes, and together providing their customers a comprehensive, real-time daily report covering all their banking and securities assets. With the report, customers can easily check their net asset information under their name, so they can quickly observe changes in their asset values and make timely, informed decisions about their fund allocation and finances. At the same time, the two companies have launched a procedure to request an increase in stock daily trading limit based on bank deposit balance, simplifying the process of providing financial statements, and have pioneered the linkage of subscription for IPO securities with personal credit loan services, with a view to furthering crosssubsidiary service integration. In addition, there has been a great response from the dual-platform services offered to VIP customers of Bank SinoPac and SinoPac Securities, with a significant increase in customer interactions with the two companies.

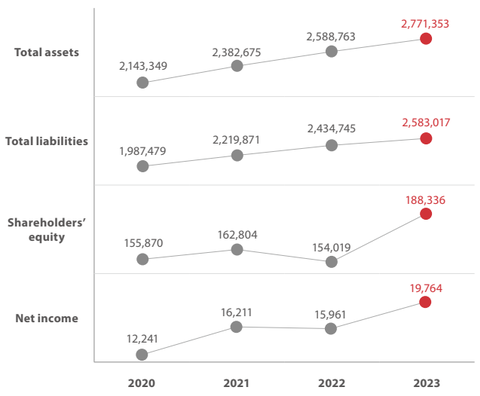
Exploring green opportunities and fulfilling sustainability commitments

SinoPac Holdings is committed to actively expanding the sustainable impacts through the core financial capabilities with the Government's Pathway to Net-Zero Emissions and aims to establish itself as a leading brand in green financing and fundraising. Bank SinoPac has been actively promoting the development of renewable energy in Taiwan through innovative and diverse financial services, achieving remarkable success in the solar photovoltaics field, with a financing balance exceeding one hundred billion and its market share of installed capacity that continues to lead the industry. Bank SinoPac is the recipient of the Top Solar System Awards in the Best Financial Service Provider Award category, held by the Energy Administration of the Ministry of Economic Affairs, making it the one and only financial institution to receive this prestigious award for eight consecutive years. Bank SinoPac is at the forefront of supporting energy storage financing and has expanded into the small hydropower and geothermal power generation sectors. Additionally, Bank SinoPac has collaborated with multiple power retailers to establish a green energy trading platform, promoting the security of private green energy transactions, and supporting the government in realizing its energy transformation strategies, including carbon neutrality, circular sustainability, and energy independence, thereby accelerating sustainable development. SinoPac Securities has made substantial advancements in stock underwriting in the green energy and environmental industries in recent years, with its annual underwriting making up nearly 50% of the total market amount for the two industries, firmly establishing SinoPac Securities as the industry leader.

Financial Highlights of SinoPac Holdings

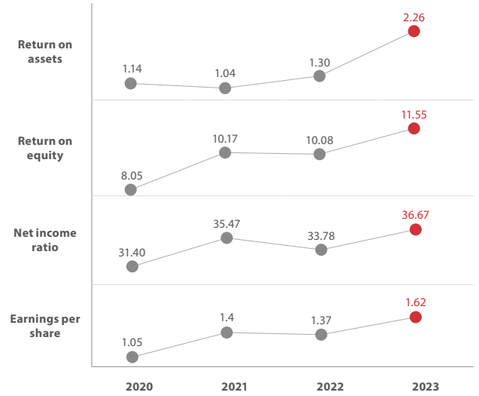
Operating ability

(in NT$ million)

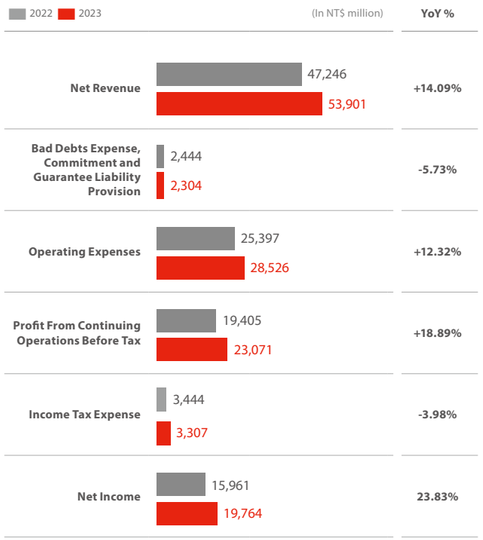


Profitability

(%, NT$)



Profits 2023 vs. 2022

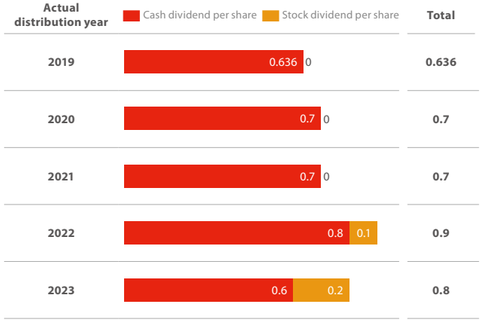


Credit Ratings

2023 SinoPac Holdings Credit Ratings

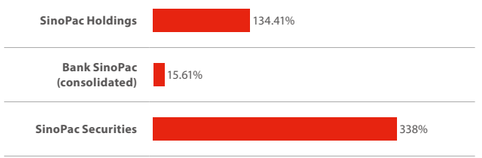
Type of Credit Rating	Credit Rating Institution	Long-term Credit Rating	Short-term Credit Rating	Outlook for Credit Rating	Date of Credit Rating
International	S&P Global Ratings	BBB	A-2	Stable	August 28, 2023
	Fitch Ratings	BBB+	F2	Stable	January 30, 2024
Domestic	Fitch Ratings	AA- (twn)	F1+ (twn)		
	Taiwan Ratings	twA+	twA-1	Stable	August 28, 2023

Distribution of Dividends



Capital Structure

Capital Adequacy Ratio of SinoPac Holdings and its Subsidiaries in 2023



Capital Adequacy of Bank SinoPac

	2022 (Consolidated)	2023 (Consolidated)
Tier I capital, net (in NT$ million)	157,150	187,923
Total exposure (in NT$ million)	2,559,696	2,686,006
Leverage ratio (%)	6.14%	7.00%

Special Chapter 2

Business and Profit Models of SinoPac's Subsidiaries

Bank SinoPac

Shareholding Percentage	100%	
Main Services	• Deposits and loans • Forex trading	• Wealth management • Securities investment
Revenue Streams	• Interest spread • Fee income	• Investment income

Performance Highlights

- Bank SinoPac issued green bonds totaling NT$2 billion in September 2023. The funds raised are not only used to assist the development of renewable energy and energy technology but also for social welfare investment plans, to create employment opportunities and prevent unemployment caused by social and economic crises. As of the end of 2023, all funds were used for solar PV energy generation equipment financing projects and SME financing projects.
- By the end of 2023, Bank SinoPac financed more than 7,927 solar energy plants in domestic and foreign enterprises, with a total capacity of 3,433.38MW, with a market share of about 28%, equaling to support the electricity needs of approximately 1.14 million households for one year, and playing the role of financial institutions in supporting economic stability.

SinoPac Securities

Shareholding Percentage	100%	
Main Services	• Brokerage • Proprietary trading	• Underwriting
Revenue Streams	• Fee income • Financing interest	• Investment income

Performance Highlights

- With the continuous upgrade, both the number of accounts and the investment amount for the "SinoPac Stock Savings Plan" hit a new record in 2023, with more than 150,000 of accounts and total debit amount was reached NT$21.954 billion which increased 53.09% over the previous year, and the debit amount for the investment in US stocks continued to be ranked the first in the market in 2023.
- SinoPac Securities has long been deeply involved in the field of green energy and environmental protection industries. The amount of green cases underwritten reached NT$6.208 billion, accounting for nearly half of the total green underwriting amount in the market, ranking first in the industry.
- Pan-wealth management income hit a new record in 2023, with total amount of NT$2.877 billion, with an annual growth rate of 29.42%, continuing to develop high-end customer wealth management services. SinoPac Securities is the first securities to implement the "Offshore Funds that do not have the Nature of a Securities Investment Trust Fund " for high-end customer, constructing an integrated wealth management service model with stocks as the core, and using "stock trusts" to assist customers in asset inheritance planning.

SinoPac Leasing

Shareholding Percentage	100%	
Main Services	• Leasing	• Installment
Revenue Streams	• Interest income	• Rental income

Performance Highlights

- As of the end of 2023, the cumulative financing amount of solar power plant equipment is NT$4.954 billion.

SinoPac Securities Investment Trust

Shareholding Percentage	100%	
Main Services	• Mutual fund • Private placement fund	• Discretionary investment
Revenue Streams	• Investment management fee	

Performance Highlights

- As of the end of 2023, the assets under management totaled NT$81.2 billion.
- In 2023, SinoPac SITC issued one ESG fund titled "SinoPac Taiwan ESG Low Carbon High Dividend 40 ETF". The benchmark index is the "Taiwan Sustainable Investment Survey" established by the College of Business, National Taipei University. It selects constituent stocks with a rating of at least BBB and creates an investment portfolio based on carbon indicators that accounts for ESG, low carbon, and high dividends. As of the end of 2023, SinoPac SITC has issued and managed four ESG funds that meet FSC's Information Disclosure Review and Supervision Principles for the ESG-Related Funds Issued by Securities Investment Trust Enterprises. The total AUM of these 4 funds was approximately NT$14.2 billion.

SinoPac Venture Capital

Shareholding Percentage	100%
Main Services	• Equity investment
Revenue Streams	• Investment income

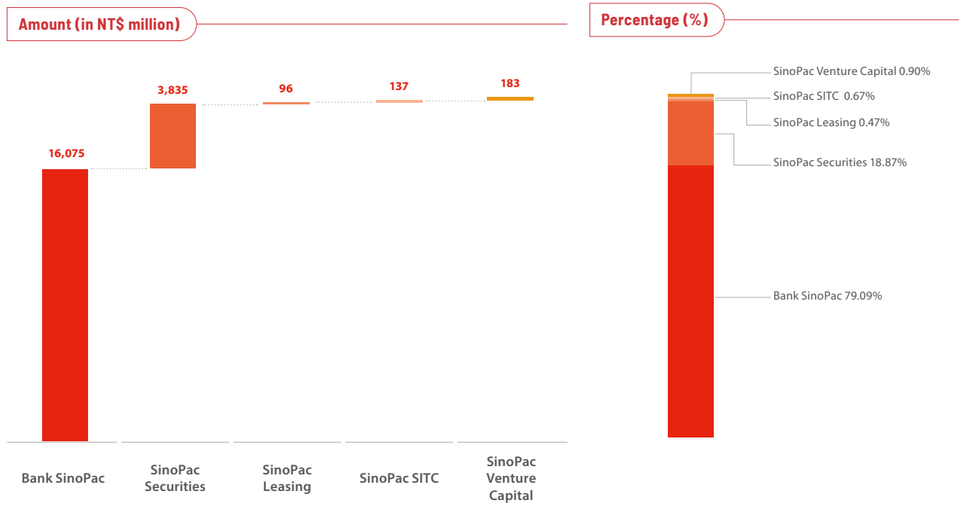
Performance Highlights

- SinoPac Venture Capital aspires to invest in green industries to mitigate environmental impacts. The invesemnts in the green industiries (mainly solar energy, energy conservation, electric vehicles, circular economy, and waste treatment) amounted to NT$550 million, aaccounting for 21.85% of its total investment as at the end of 2023.

Financial Highlights of SinoPac's Subsidiaries in 2023

Item		Bank SinoPac	SinoPac Securities	SinoPac Leasing	SinoPac SITC	SinoPac Venture Capital
Operating Ability	Total Assets (in NT$ million)	2,531,383	223,692	20,799	1,901	2,992
	Total Liabilities (in NT$ million)	2,358,551	189,455	16,264	217	44
	Shareholders' Equity (in NT$ million)	172,832	34,237	4,535	1,684	2,949
	Net Income (in NT$ million)	16,066	3,836	86	137	184
Profitability	Return on Assets (%)	0.65	1.95	0.42	7.27	6.44
	Return on Equity (%)	10.34	12.02	1.86	8.06	6.53
	Net Income Ratio (%)	39.78	25.71	6.00	47.85	86.32
	Earnings Per Share (in NT$)	1.68	2.37	0.18	0.97	0.73

Profit Contribution by Subsidiaries in 2023



SinoPac Holdings' Net Revenue Breakdown in 2023

(in NT$ million)

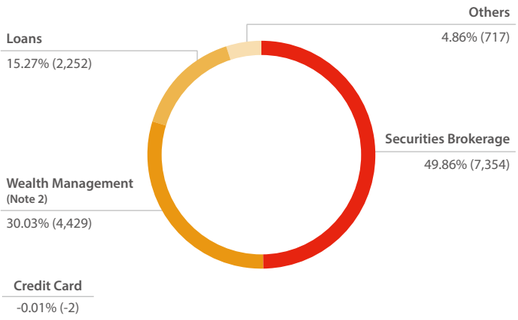
Net Interest Revenue	Net Service Fee and Commissions Income	Other Net Revenue
24,444	14,750	14,707

Total Net Revenue

53,901

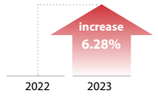
SinoPac Holdings' Net Service Fee and Commission Income Breakdown in 2023 (Note 1)

(%, in NT$ million)



Note 1: Net service fee and commission income increase by 6.28% in 2023 from 2022.

Note 2: The figure encompasses fees and commissions from mutual fund sales, trust services and insurances services provided by Bank SinoPac and SinoPac Securities.



Special Chapter 3 Pave the Way for Net Zero Emissions

Major Achievements in Net Zero Emissions by SinoPac Holdings in 2023

- Completed the procurement and continuous supply of green electricity for 20% of the annual electricity consumption of SinoPac Holdings
- Expanded internal carbon pricing to SinoPac Holdings and its first-tier subsidiaries
- Continuing to develop more aggressive decarbonization policy, expand the scope of decarbonization to include investment and financing of thermal coal mining and thermal coal-fired power generation starting from July 1, 2023
- The science-based targets (SBT) were approved by SBTi in January 2024
- Continue to implement carbon inventory of Scope 3 - investment and financing portfolios
- Introduced transition degree analysis mechanisms for high carbon emissions industries that have set SBTs

According to the "Global Risks Report 2022" published by the World Economic Forum, climate change has become one of the greatest risks for the global economy and the survival of human beings. The 21st United Nations Climate Change Conference (COP21) in 2015 passed the Paris Agreement and signatories of the Agreement committed themselves to limit global temperature rise to within 2°C and aims to limit the temperature rise to 1.5°C. As climate conditions exacerbate, governments and companies have joined the ranks of net zero emissions and Taiwan also declared its ambition for net zero emissions by 2050 on Earth Day 2021. Financial institutions play a key role in promoting the net zero transition of the economy as they can channel investments and into the transition to a climate-neutral, climate-resilient, resource-efficient, and fair economy, as a complement to public money.

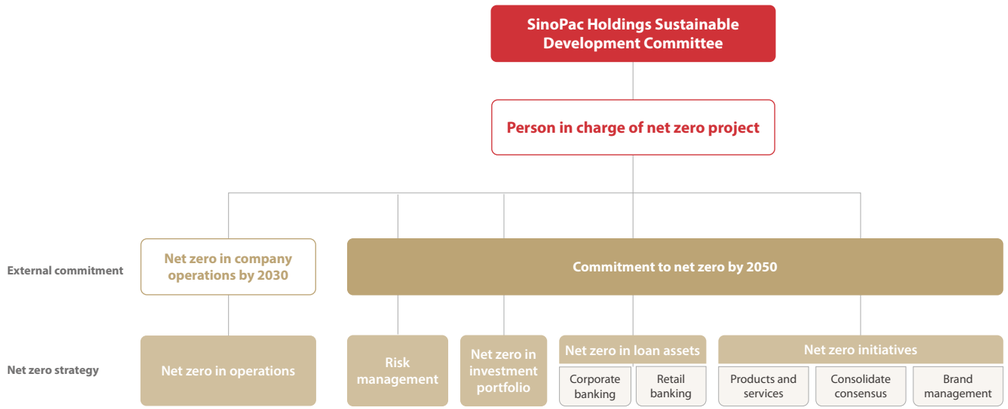
SinoPac Holdings understands the influence and responsibilities as a financial institution for controlling the flow of investments and is committed to facilitating Taiwan's net zero goal through sustainable financing. The Sustainable Development Committee of the Company passed the short-, medium-, and long-term work plans in relation to the net zero emissions in December 2021, which was approved by the Board of Directors in January 2022. The Board of Directors subsequently in March 2022 approved the Company's net zero commitment, pledging to achieve net zero emissions of its own operations by 2030 and the entirety of its financed portfolios by 2050. SinoPac Holdings completed the science-based targets (SBT) settings in accordance with the Financial Sector Science-Based Targets Guidance in December 2022, and received the validation and approval of the targets by SBTi in January 2024. For more information, please refer to the official websites of the Company and SBTi for related information.

In terms of governance, SinoPac Holdings established a cross-subsidiary and cross-departmental Net Zero Project Management Office (PMO) in the first quarter of 2022 to implement its sustainability strategies. The PMO consisted of eight teams (detailed in the figure on the bottom right), based on the five major net zero emission strategies: net zero in operations, risk management, net zero in investment portfolios, net zero in loan assets, and net zero initiatives. In addition to regular tracking the progress of SBT, the Company also formulated short-, medium-, and long-term targets up to 2028. The progress is reviewed bi-monthly by the PMO and quarterly by the Sustainable Development Committee to oversee the implementation and execution of management tasks, as well as conduct ongoing reviews of project progress and effectiveness. The results are reported to the Board of Directors every six months, along with the overall status of sustainable development task execution.

In terms of internal operations and management, the Company continued to promote green and paperless operations, completing a greenhouse gas inventory with 100% coverage across its domestic and international operations and subsidiaries. The Company also expanded the scope of its internal carbon pricing mechanisms to cover SinoPac Holdings and its first-tier subsidiaries. With regards to renewable energy, the subsidiaries Bank SinoPac and SinoPac Securities voluntarily purchased green electricity starting from 2022. Bank SinoPac also installed solar power generation systems on the rooftops of its buildings. In 2023, the Company utilized a total of 3.46 million kWh of green electricity, accounting for 10.12% of SinoPac Holdings' total annual electricity consumption, exceeding the target of using green electricity for 10% of annual electricity consumption. Bank SinoPac and SinoPac Securities further signed a Power Purchase Agreement (PPA) in 2023, planning to import 6.74 million kWh of green electricity annually, equivalent to 20% of SinoPac Holdings' electricity consumption in 2023. Additionally, SinoPac Holdings purchased 10,000 tons of carbon credits in the first batch of transactions on the Taiwan Carbon Solution Exchange, preparing for attaining carbon neutrality. SinoPac will continue to implement energy-saving, carbon reduction, and renewable energy utilization measures, aiming to achieve net zero emissions in its own operations by 2030.

In terms of investment and financing, the SinoPac Holdings (including all its domestic and overseas subsidiaries) has, since July 1, 2022, ceased financing for new thermal coal and unconventional oil & gas projects, including mining, power, manufacturing, trading, transport and logistics, equipment manufacturing, and infrastructure. Additionally, it will not renew financing for existing projects within these categories when they expire. Furthermore, as of July 1, SinoPac Holdings has expanded the scope of its decarbonization policy to include investment and financing of thermal coal mining and thermal coal-fired power generation. The Company plans to continue expanding the scope of its decarbonization commitment and has introduced transition degree analysis mechanisms for high-carbon industries that have set science-based targets (SBT). SinoPac Holdings will also continue collaborating with experts from the industry, government, and academia to stay updated on the latest technologies and business opportunities for achieving net zero emissions. It aims to partner with stakeholders in the low-carbon transition and strive to achievenet zero by 2050. For the latest updates on SinoPac Holdings' decarbonization policy, please refer to the official website.

SinoPac Holdings' Net Zero PMO Structure



Short-term, Medium-term, and Long-term Goals for the Net Zero Strategies

Net Zero Strategy	Primary Goals		Short-term Goals (1 year) 2024	Medium-term Goals (2-3 years) 2025-2026	Long-term Goals (3-5 years) 2026-2028
Net zero emissions in operations	Achieve SBT carbon reduction pathway (2021 as the baseline year)		Scope 1 and 2 emissions reduction targets of 4.2% per year and reduce a total emission of 16.8% by 2024.	Achieve 25.2% reduction in Scope 1 and 2 emissions by 2026.	Achieve 29.4% reduction in Scope 1 and 2 emissions by 2027.
	Introduce internal carbon pricing mechanisms (own operations)		Continuously review/adjust the internal carbon pricing mechanisms.		
	Increase renewable energy usage		17.5%	35%	55%
	Increase the ISO 14001 and ISO 50001 GHG inventory scope and certification rate of the 7 buildings owned by the Company		85%	Achieve and maintain 100%.	
Risk management	Establish mechanisms of carbon inventory (PCAF), monitoring and disclosure for Scope 3 investment and loan portfolios.		Continue to complete the PCAF carbon inventory for Scope 3 investment and loan portfolios, monitor SBT targets (SDA and SBT methodologies) for carbon emissions/target setting, enhance the quality of data from inventories, and disclose results in the Sustainability Report or TCFD Report.	Continue to complete the PCAF carbon inventory for Scope 3 investment and loan portfolios, monitor SBT targets (SDA and SBT methodologies) for carbon emissions/target setting, enhance the quality of data from inventories, and disclose results in the Sustainability Report or TCFD Report.	
				1. Establish automated risk monitoring mechanisms in systems that related to front-end investment and financing businesses. 2. Establish an integrated climate risk management dashboard for management and monitoring of metrics and goals.	Establish an integrated climate risk management dashboard for management and monitoring of metrics and goals.
	Tracking and management of decarbonization process		1. Inventory and monitor stranded assets that meet the definition in the decarbonization statement every six months. 2. Inventory fossil fuel investment and loan portfolios every year.	Continue to inventory and monitor stranded assets and fossil fuel investment and loan portfolios every year.	
				1. Establish automated risk monitoring mechanisms for stranded assets and fossil fuel investment and financing portfolios in systems that related to front-end investment and financing businesses. 2. Establish an integrated stranded assets and fossil fuel management dashboard for management and monitoring of metrics and goals.	Establish an integrated stranded assets and fossil fuel management dashboard for management and monitoring of metrics and goals.
Net zero in investment portfolios	Scope 3 carbon inventory of the investment and loan portfolios (PCAF)		1. Continue to collect client carbon emissions data, optimize systems, and improve data quality. 2. Complete the PCAF loan portfolio carbon inventory and regular tracking the implementation status of SBT carbon reduction pathway per year.		
	Establish decarbonization commitments for specific industries	Continue to optimize decarbonization policies	Expand the scope of withdrawing of investment and loan positions in stranded assets with no transition activities.		Continue to expand the scope of withdrawing of investment and loan positions in stranded assets with no transition activities and formulate a withdrawing plan for fossil fuel investment and financing positions.
	Deploy key technologies and opportunities for a net-zero future		Deploy strategic (key technology/renewable energy/low-carbon) investment positions and continue to increase the proportion each year.		
			Convene regular meetings on key technologies/renewable energy/low-carbon industries.	-	
	Introduce carbon pricing for Scope 3 investment portfolios		Collect and understand carbon pricing related information and attend internal and external training programs.	Develop and promote internal carbon pricing mechanisms for investment portfolios.	Gradually integrate the concept of cost for carbon pricing into investment decisions and continue to improve climate risk response capabilities.
	Communicate with investees on their carbon reduction targets and raise climate awareness.		1. Implement transition degree analysis of investees and select investees for engagement. 2. Encourage investees to fill out climate awareness questionnaires.	Continue engagement on net zero emissions.	

Short-term, Medium-term, and Long-term Goals for the Net Zero Strategies

Net Zero Strategy		Primary Goals		Short-term Goals (1 year) 2024	Medium-term Goals (2-3 years) 2025-2026	Long-term Goals (3-5 years) 2026-2028
Net zero in loan assets	Corporate banking	Scope 3 carbon inventory of the investment and loan portfolios (PCAF)		1. Continue to collect client carbon emissions data, optimize systems, and improve data quality. 2. Complete the PCAF loan portfolio carbon inventory and regular tracking the progress of SBT carbon reduction pathway per year.		
		Optimize decarbonization commitments for specific industries	Continue to optimize decarbonization policies	Expand the scope of withdrawing of investment and loan positions in stranded assets with no transition activities.		Continue to expand the scope of withdrawing of investment and loan positions in stranded assets with no transition activities and formulate a withdrawing plan for fossil fuel investment and financing positions.
			Carbon pricing in financing	Research on carbon pricing in financing.	Prepare feasible methods for incorporating carbon pricing in financing into targets	Prepare carbon pricing in financing strategies and implementation plans.
		Communicate with clients on their carbon emissions, reduction goals, plans, and progress, as well as funding needs for carbon-reduction actions	Carbon risk and opportunity assessment / transition degree analysis	Establish carbon risk and opportunity assessment / transition degree analysis of projects and clients. Collect information on carbon emissions from borrowers that are listed companies on a trial basis (communicate with clients with the FSC's questionnaire template).	Establish carbon risk and opportunity assessment / transition degree analysis of projects and clients. Collect information on carbon emissions, carbon reduction plans, and funding requirements of related industries.	Expand the transition degree analysis to implement a carbon risk classification system for clients and establish a net zero communication program.
			communication rate with clients that are listed on the TWSE and TPEx (Note 1)	Reach 12% in 2024.	Reach 25% in 2025, and 38% in 2026.	Reach 55% in 2027, and 75% in 2028.
		Raise clients' climate awareness		Continue collaboration with external organizations and communicate the Company's policies by organizing 2 to 4 seminars on net zero transition and SDGs trends or participating in supplier conferences with the objectives of reaching 100-150 suppliers.	Expand and intensify the net-zero businesses and services by organizing activities such as net-zero transition seminars or supplier conferences.	Use the results of the net-zero transition seminars and the results of interviews and questionnaires to encourage borrowers to set SBT goals and develop carbon reduction plans.
	Retail banking	Raise clients' climate awareness (mortgages)	Increase the number of green mortgages	80 new green mortgages.	A total of 100 new green mortgages.	A total of 120 new green mortgages.
			Online mortgages applications - paperless operations	At least 10,000 applications for the year	At least 10,500 applications each year	At least 11,500 applications each year
			Raise clients' sustainable finance awareness	At least 5 million traffics through physical and online channels each year.		
		Scope 3 carbon inventory of the investment and loan portfolios (PCAF)		1. Continue to collect building carbon emissions/green building data, optimize systems, and improve data quality. 2. Complete the carbon inventory of mortgages portfolio.		
Net zero initiatives	Products and services	promote products and services with low carbon emissions or with the function to disclose carbon emission data	Increase the number of cardholders (debit cards and the credit cards) using the "Carbon Footprint Calculator"	1. Debit cards: Activation for 35% of active cards. 2. SinoPac SPORT Card: Activation for 72% of active cards.	1. Debit cards: Activation for 40% of active cards. 2. Designated credit cards: Activation for 10% of active cards.	1. Debit cards: Activation for 40% of active cards. 2. Designated credit cards: Activation for 15% of active cards.
					Continue to evaluate the incorporation of the carbon footprint calculator for new designated credit cards that are highly relevant to sustainability issues.	
			Issue debit cards or credit cards with low-carbon production processes	Issue 7,000 new Green Cards.	Issuance (including renew cards) of 30,000 cards in 2025 and 50,000 cards in 2026.	Continue to maintain the issuance (including renew cards) of 50,000 cards each year
			Customer activities	Continue to launch customer activities to encourage participation in green activities.		
		Promote the market for low-carbon financial products	Bank SinoPac: Issuance of Sustainable (GSS) bonds	Issuance of an additional NT$1 billion.	Continue to evaluate the issuance of Sustainable (GSS) bonds.	
			SinoPac Inv. Service: ESG evaluation system	1. Connect with TDCC and collaborate with index companies, securities investment trust companies and securities firms to issue index products, funds, ETNs, and customized ESG reporting. 2. Incorporate the IFRS Sustainability Disclosure Standards and establish commercial databases.	Intensify the ESG evaluation and expand communication with stakeholders. Continue to incorporate IFRS, TCFD & TNFD and develop automated reporting, index products, funds, and ETF.	Use the data from ESG evaluations, databases, and corporate IFRS Sustainability Disclosure Standards for predictive modeling of sustainability information.
			Organize ESG/green fund training and seminars	The number of participants in seminars reach 315	The number of participants in seminars increase by 5% compared to the previous year	The number of participants in seminars increase by 5% compared to the previous year
			ESG/green fund product assets under management (AUM)	NT$4.05 billion	NT$5.15 billion by 2026	NT$6.25 billion by 2028

Short-term, Medium-term, and Long-term Goals for the Net Zero Strategies

Net Zero Strategy		Primary Goals		Short-term Goals (1 year) 2024	Medium-term Goals (2-3 years) 2025-2026	Long-term Goals (3-5 years) 2026-2028
Net zero initiatives	Products and services	Develop financial products that meet low-carbon transition definitions/net zero trends	Green energy and eco-friendly securities consultation/underwriting	At least increase four clients each year	Underwriting as lead underwriter or co-underwriter for NT$1 billion each year	
			Issuance of low-carbon mutual funds (Note 2)	SinoPac SITC issues/relaunches at least one fund each year		
			Optimize financial services for low-carbon and net zero emissions	Optimize the online credit application interface / additional document upload / fund appropriation / transaction statements / interest payment functions.	Continue to optimize loan procedures such as online credit application and the review and allocation and expand them to all online applicants.	Continue to expand the low-carbon financial products
	Consolidate consensus	Raise climate awareness and basic competencies of all employees	Promote the "I Do Commitment" for office environmental protection and energy conservation	100% employee signature rate for one down level subsidiaries of SinoPac Holdings.	100% employee signature rate for all employees of SinoPac Holdings.	
			Net zero literacy and training	1. Continue to promote the net zero literacy surveys 2. Upload at least 2 climate/net-zero/natural risk micro-courses.	1. Upload at least 2 climate/net-zero/natural risk micro-courses. 2. Formulate and launch the ESG training roadmap	1. Upload at least 2 climate/net-zero/natural risk micro-courses. 2. Continue to implement the ESG training roadmap, encourage employees to study by themselves, and attain a 20% completion rate.
			ESG training roadmap and climate/net zero target courses	1. 50% completion rate for new employee training courses 2. Inclusion in training for supervisors of SinoPac Holdings, Bank SinoPac, and SinoPac Securities.	1. 75% completion rate for new employee training courses 2. Inclusion in training for all supervisors of SinoPac Holdings.	1. 80% completion rate for new employee training courses 2. Inclusion in training for all supervisors of SinoPac Holdings.
			Promotion of net zero target	Continue to promote the Company's net zero commitment and organize idea contests, charitable activities, and games.		
		Establish reward/evaluation/performance indicators for carbon reduction targets	Link the remuneration to carbon reduction performance	Eligible individuals include: (1) the Presidents of SinoPac Holdings and its one down level subsidiaries and (2) senior executives of SinoPac Holdings, Bank SinoPac, and SinoPac Securities.	Eligible individuals include the Presidents and senior executives of SinoPac Holdings and its one down level subsidiaries.	Eligible individuals include all supervisors of SinoPac Holdings.
			Energy conservation reward mechanisms	Take energy conservation actions, streamline procedures, and continue carbon reduction reward measures to gradually expand the scope of rewards for energy conservation/carbon emissions reduction to encourage employees to conserve energy.		
	Brand management	Establish a clear brand image of SinoPac Holdings with its net zero commitment	Sustainable ocean development	1. Focus on promoting "sustainable ocean development" and work with non-profit organizations to organize events, environmental education, and media promotion campaigns to increase the awareness of marine protected areas and jointly protect Taiwan's marine species. 2. Produce initiative films that focus on marine protection and communicate with stakeholders to raise awareness and jointly protect the marine environment.	Continue to promote "sustainable ocean development" and the "SinoPac Life - A Million Acts of Green" and work with conservation organizations to jointly protect Taiwan's marine species and take part in charitable activities and initiatives for removing marine waste.	Expand from awareness campaigns to promoting "SinoPac for Life" and "sustainable ocean development" to take real actions.
			SinoPac Life - A Million Acts of Green	Continue to promote the "SinoPac Life - A Million Acts of Green" and use environmental protection awareness campaigns and activities to incorporate environmental and eco-friendly actions in daily life.		
			Number of reach (stakeholders and the public)	150,000 people.	200,000 people.	300,000 people.
		Sponsor research on net zero related key technologies development and enlarge SinoPac Holdings' share of voice in the market		Provide sponsorship for research on ocean carbon sink by academic institutions or trade associations for protecting cetaceans and jointly call for the inclusion of Taiwan's East Coast as a marine protected area.		
				Support the installation of underwater listening stations to record the sounds of wildlife and use technologies to support research and technical development for monitoring biodiversity.	Invest the installation of underwater listening stations to enhance technologies for recording the acoustic fingerprints of wildlife and improve technologies for monitoring biodiversity.	Jointly carry out net zero related activities to increase SinoPac Holdings' share of voice.

Note 1: The rate of communication with borrowers that are listed on the TWSE and TPEx is the number of companies that responded to the FSC's questionnaire / number of borrowers that are listed on the TWSE and TPEx. The targets will be adjusted continuously based on the implementation status.

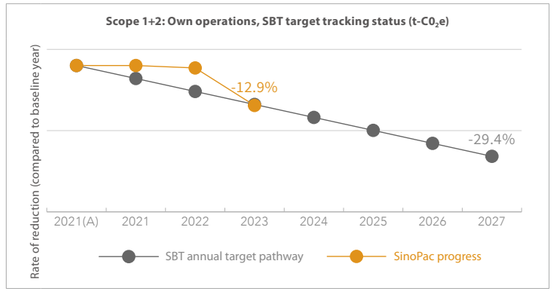
Note 2: Low carbon funds use carbon intensity (carbon emissions/annual operating income) as an indicator and exclude stocks in the top 20% of the carbon intensity based on financial and non-financial industry subgroups.

Science Based Targets (SBT) Implementation Status in 2023

SinoPac Holdings actively implements pledging to achieve net zero emissions of its own operations by 2030 and the entirety of its financed portfolios by 2050. We continuously monitor our progress in achieving science-based reduction targets (SBTs) to track our emission reduction progress. The targets approved by SBTi and the progress towards achieving them by the end of 2023 are as follows:

SinoPac's Own Operations

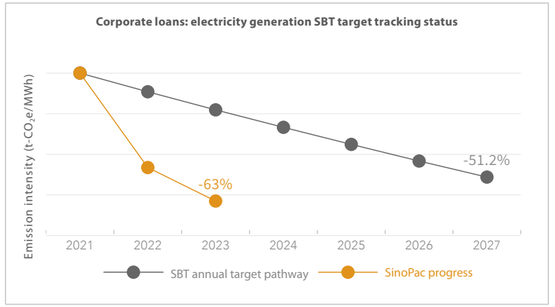
Targets language	Reduce absolute scope 1 and 2 GHG emissions 29.4% by 2027 from a 2021 base year.
Progress	The absolute amount of Scope 1 and 2 absolute GHG emissions reduced by 12.9% in 2023 as compared to the base year, which met targets for 2023. Refer to 5.1. Green Operations for detailed carbon reduction actions.



(*) 2021(A): After July 2022, SBTi requires that regardless of the baseline year setting after 2020, the reduction ratio is calculated with 2020 as the starting year. Therefore, the actual baseline year and values used here is from 2021, but SBTi still regards them as 2020 data.

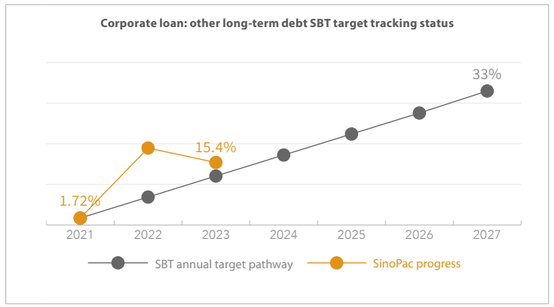
2. Corporate loans: electricity generation

Targets language	Reduce GHG emissions from the electricity generation sector within corporate lending portfolio 51.2% per MWh by 2027 from a 2021 base year.
Progress	The amount of GHG emission intensity of electricity generation sector within its corporate lending portfolio reduced by 63.0% in 2023 as compared to the base year, which met targets for 2023. Please refer to 3.2.1 Green Finance for detailed implementation and actions regarding renewable energy.



4.Corporate loan: other long-term debt

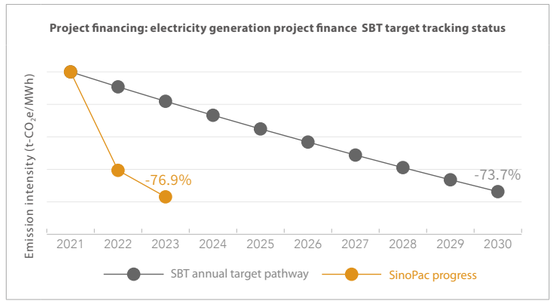
Targets language	Reach 33% of other long-term corporate loan portfolio by invested value setting SBTi validated targets by 2027 from a 2021 base year. This target covers 100% exposure in the following sectors: fossil fuel, electronics, steel, paper, cement, textile, production of chemical materials, traditional manufacturing - automobile manufacturing, transportation, banks, real estate development, and warehouse.
Progress	Clients in covered industries that passed SBTi validation accounted for 15.4% of SinoPac Holdings' long-term corporate loan portfolio in covered industries, which met targets for 2023.



Asset portfolio

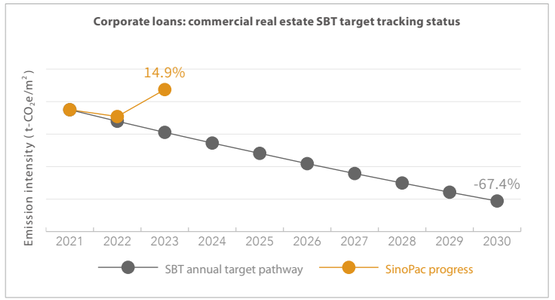
1.Project financing: electricity generation project finance

Targets language	Reduce electricity generation project finance portfolio GHG emissions 73.7% per kWh by 2030 from a 2021 base year.
Progress	The amount of GHG emission intensity of electricity generation project finance reduced by 76.9% in 2023 as compared to the base year, which met targets for 2023. Please refer to 3.2.1 Green Finance for detailed implementation and actions regarding renewable energy.



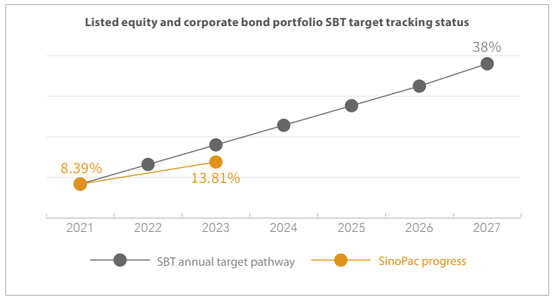
3.Corporate loans: commercial real estate

Targets language	Reduce GHG emissions from the commercial real estate sector within corporate loan portfolio 67.4% per square meter by 2030 from a 2021 base year.
Progress	The amount of GHG emission intensity of per square meter for commercial real estate sector in corporate loan portfolio increased by 14.9% in 2023 as compared to the base year and the 2023 target was not met. SinoPac Holdings will enhance the collection of data on actual carbon emissions of commercial real estate to provide recommendations and guidances for related business units.



5.Corporate instruments (common / preferred stock, corporate bonds, ETFs, REITs, and real estate mutual funds)

Targets language	Reach 38% of listed equity and corporate bond portfolio by invested value setting SBTi validated targets by 2027 from a 2021 base year.
Progress	In 2023, 13.81% of the total balance of listed equity and corporate bond passed SBTi certification, and the 2023 target was not met. However, investment positions with SBT commitments accounted to 29.74%, which met the SBT target pathway.



Net Zero Engagement Results

SinoPac Holdings conducted transition degree analysis for recipients of investment and financing to attain net zero targets for the asset portfolio. The Company also commenced one-on-one net zero engagement programs in 2024 to encourage recipients of investment and financing to set net zero targets and lead the industry to complete the net zero transformation.

Engagement targets	Engagement key points
A listed semiconductor company A	In March 2024, SinoPac Holdings visited a listed semiconductor company A with external consultants to convey SinoPac Holdings' commitment for net zero emissions and learn about the company's net zero emission actions and targets. The company A has commenced carbon footprint verification and related data management and will proceed in accordance with the Sustainable Development Roadmap of the FSC. In the engagement meeting, the company also discussed the difficulties and questions in the carbon reduction process with SinoPac Holdings, which shared its experience in implementing sustainability and net zero emissions as well as corporate green energy solutions provided by Bank SinoPac.
A listed cement company B	In March 2024, SinoPac Holdings visited a listed cement company B with external consultants to convey SinoPac Holdings' commitment for net zero emissions and learn about the company's net zero emission actions and targets. The company has implemented the Sustainable Development Roadmap of the competent authority ahead of schedule and recently received SBT verification. SinoPac Holdings encourages the company to reference the "Taiwan Sustainable Taxonomy" and incorporate clearly defined metrics to verify the transition progress and accelerate the net-zero transformation. The Taxonomy will facilitate communication with external stakeholders. During the meeting, SinoPac Holdings also shared information on its sustainability-linked loans and other ESG solutions.

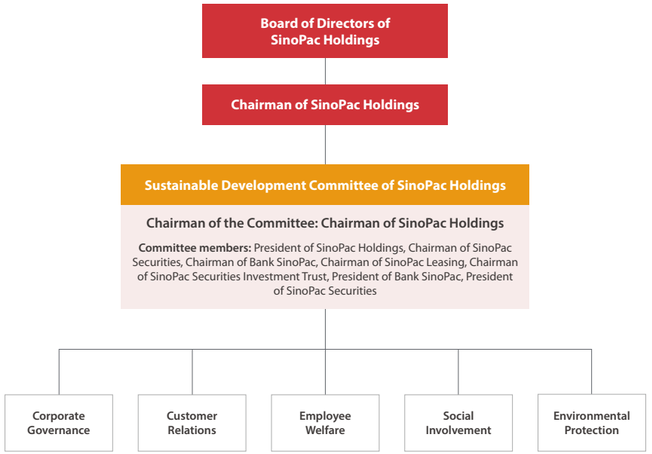
1.1 Sustainable Development Goals and Vision

Based on the vision of "Fulfillment of a Beautiful Life Through Finance", SinoPac Holdings has uphold the four sustainable development missions, namely Ethics and Decency, Wealth Building, Environmental Sustainability, and Social Responsibility, and set five sustainability themes, namely Fulfillment of Trustworthy Governance, Fulfillment of Innovative Service, Fulfillment of Green Operations, Fulfillment of Healthy Workplace, and Fulfillment of Inclusive Growth, based on three aspects of sustainable development including environment, society, and corporate governance (ESG).

1.1.1. Sustainable Governance Framework

SinoPac Holdings established the "CSR Project Team" in 2015 to actively plan CSR related affairs. In 2018, the Company established the "Guidelines for Corporate Social Responsibility" (renamed "Guidelines for Sustainable Development"in 2022) and established the "Sustainable Development Committee". The Chairman of SinoPac Holdings serves as the chairperson of the Committee, with the President of SinoPac Holdings and the chairmen and presidents of major subsidiaries serving as members. The Committee oversees five teams responsible for corporate governance, customer relations, employee welfare, social involvement, and environmental protection. The committee is in charge of managing the risks and impacts of operations of SinoPac Holdings and its subsidiaries on the economy, environment, and society, and it regularly reports to the Board of Directors to implement SinoPac Holdings' sustainable development strategy.

The teams of the Sustainable Development Committee uphold the four major sustainability missions of SinoPac Holdings and continue to implement adjustments and optimize the short, medium, and long-term goals in the Sustainable Development Strategy Roadmap in accordance with the five major sustainability targets. The Sustainable Development Committee convenes a meeting every quarter and reports the progress of corporate sustainable development to the Board of Directors every six months. The Sustainable Development Committee convened four meetings in 2023 and reported to the Board of Directors for three times including: 1). the performance of sustainable development in 2022 and the 2023 work plan for Board's acknowledgement and the amendment of short-, medium-, and long-term key sustainable development work items for Board's approval in January 2023; 2) the performance of sustainable development in the first half of 2023 for Board's acknowledgement in July 2023; and 3) the performance of sustainable development in 2023 and the work plan for 2024 were reported to the Board and the short-, medium-, and long-term key sustainable development work items were further revised and approved by the Board of Directors in December 2023. In the process of listening to reports or discussions, the board of directors regularly make inquiries or give guidance, review, and supervise the implementation of various work plans, and supervise the management team to make adjustments in a timely manner.



1.1.2. Roadmap for Sustainable Development

SinoPac Holdings took action by linking the United Nations' Sustainable Development Goals (SDGs) and Taiwan's Sustainable Development Goals set by the National Sustainable Development Network with the five sustainability themes in response to the eight SDGs, including SDG1 (No Poverty), SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action).

Vision, Mission, and Policy

Ethics and Decency

Maintaining sound corporate governance and upholding ethics, compliance, integrity, transparency, and accountability as our core values. Treating employees, customers, and shareholders as well as all stakeholders with fairness, offering premium financial products and services to customers with an aim of becoming a respected company that all stakeholders take pride in.

Environmental Sustainability

Devoted ourselves to environmental sustainability by reducing the operational impact on the environment. Paying attention to the impact of climate change. Promoting recycling, developing environmental-inclusive financial products, and implementing responsible lending and investment.

Wealth Building

Building customers' wealth through our profession and passion. Pursuing sustainable growth with innovation and business performance. Attaching importance to the career development and welfare of our employees while providing a friendly working environment and creating a long-term value for shareholders.

Social Responsibility

Upholding the spirit of taking from society and giving back to society, engaging in implementing social welfare programs for the vulnerable populations and supporting art and cultural activities in local communities as a responsible corporate citizen with an aim of achieving social prosperity.

Five Sustainability Themes

Fulfillment of Trustworthy Governance (Corporate Governance team)
Build a corporate culture of fair, honest, and transparent management, abiding by the ethical and decent core value, and optimizing the governance mechanism.

Fulfillment of Innovative Service (Customer Relations team)
Assist customers in achieving sustainable management, including passing on wealth from one generation to the next generation and establish a prosperous financial ecosystem in a more responsible and sustainable manner.

Fulfillment of Green Operations (Environmental Protection team)
Establish an environmental management system to mitigate environmental impacts and discuss environmental and climate issues with different stakeholders, so as to fulfill green operation within and beyond the company.

Fulfillment of Healthy Workplace (Employee Welfare team)
Encourage employees to be positive from the heart and motivate each other, and award outstanding employees as the Employee of the Year to create a positive work culture and growing mindsets among employees.

Fulfillment of Inclusive Growth (Social Involvement team)
Uphold the spirit of giving back to society and leverage the core competence in financial industry to support local communities to fulfill inclusive growth.

Sustainability Commitment / Action Plan / SDG Achieved

Sustainability Commitment		Action Plan	SDG Achieved
Reduce Inequality	Committed to eliminating any form of inequality within and beyond the organization and is doing its best to protect basic rights and interests of people regardless of gender, wealth, race, so as to achieve social justice.	Promote gender equality (directors, senior executives, employees) Improve accessibility of financial services Promote knowledge equality	1 NO POVERTY, 4 QUALITY EDUCATION, 5 GENDER EQUALITY
Mitigate and Adapt to Climate Change	Committed to paying close attention to the impact of climate change, continuously reducing carbon emissions in cooperation with internal and external stakeholders, and developing eco-inclusive financial products that promote energy transformation.	Introduce and continue to intensify climate risk management Support the development of the green energy technology industry Promote climate change mitigation actions Raise climate awareness (employees, customers, the public)	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Promote Inclusive Growth	Committed to the common good and mutual benefit for the stakeholders and promoting inclusive growth through products and services, procurement, employee caring, and charities.	Value employees' rights and interests while improving employees' physical and mental health Support the growth of small and medium enterprises (SMEs) Enhance sustainable supply-chain management Promote green procurement and responsible consumption and production pattern Support NPOs/social enterprises and the employment of the vulnerable populations	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

1.1.3 Three Sustainability Commitments and SDGs

Based on the five sustainability themes, SinoPac Holdings focused on three sustainability commitments, namely Reduce Inequality, Mitigate and Adapt to Climate Change, and Promote Inclusive Growth, and set action plans with short-term, medium-term, and long-term goals in response to the eight SDGs of the United Nations. Please refer to the official website of SinoPac Holdings for the latest sustainability work plans and target setting.

Reduce Inequality

Unequal opportunities and unbalance resource allocation remain unsolved issues in current society. The differences in socioeconomic background, gender, and race not only lead to a lack in income and resources, but also lead to a lack of equal opportunities in many aspects including education, employment, medical care, and political participation, and a lack of personal security for certain groups of people. In the long run, the inequalities will inevitably become potential issues for common prosperity and inclusive growth. Thus, in response to the SDGs of the United Nations and Taiwan, SinoPac Holdings is committed to reducing any form of inequality inside and outside the organization and spared no effort in protecting basic rights and interests, regardless of their gender, wealth, race, to ensure social justice.

Inside the organization, SinoPac Holdings takes the initiative in promoting gender equality at different levels by promoting more outstanding female employees to the management team to increase the percentage of females participating in the decision-making process. Outside the organization, SinoPac Holdings proactively implements programs for improving financial literacy and financial inclusion and proposes to provide new financing tools and channels for the financially vulnerable populations such as Individual merchants and migrant workers. In addition to strengthening cultural education of schoolchildren in rural areas through a series of community care and art activities, SinoPac Holdings enriches the mental life of the elderly while promoting cultural equality. SinoPac Holdings hopes to pursue profits and maintain equality at the same time, to achieve the vision of "Fulfillment of a Beautiful Life through Finance."

Reduce Inequality – Implementation Status in 2023

Action Plan	Sustainability Theme	Key KPI(s)		2023 Goal(s)	Implementation Status
Promote gender equality (directors, senior executives)	Fulfillment of Trustworthy Governance	Number of female directors in the Board		At least 1	Completed
Promote gender equality (employees)	Fulfillment of Healthy Workplace	Number of promoting diversity and inclusion activities in the workplace		At least 2	Completed
		Promote follow-up review mechanisms for equal pay for equal work		Formulate 1 mechanism	Completed
		Formulate female management empowerment programs		Formulate female management empowerment programs	Completed
Improve accessibility of financial services	Fulfillment of Innovative Service	Appropriated amount of the Migrant Worker Lending Program		NT$200 million	Completed
		Non-financial support for migrant workers		Add online loan application platform services in foreign languages (English)	Completed
		Penetration on financial ecosystem service in wholesale markets	Number of loans	2,450	Not Completed (Note)
			Loan outstanding	NT$ 100 million	
			Non-financial support	Assist farmers in developing online sales models	Completed
		Penetration on self-employed contracted merchants	Increased number of applications	1,000	Completed
			The amount of credit card balance	NT$220 million	
		SinoPac Stock Savings Plan	Number of Taiwan stock/US stock annual debit accounts	96,000	Completed
			Amount of Taiwan stock/US stock annual debit	NT$15 billion	Completed
		Participants of eldercare trust and property trust seminars		360	Completed
Promote cultural equality	Fulfillment of Inclusive Growth	Participation in arts and cultural activities for children in rural areas and the elderly to promote suitable financial knowledge	Number of cooperative towns/communities/schools	At least 7	Completed
			Number of participants	More than 5,000	

Note: As the prices of agricultural products remained stable at the end of 2023, the advance payment amount for the cards of wholesalers remained the same. The target achievement rate in 2023 was 99.5% for the number of cases and 98% for the balance.

Reduce Inequality – Action Plans and Short-term, Medium-term, and Long-term Goals

Action Plan	Key KPI(s)		Short-term Goals (1 year) 2024	Medium-term Goals (2-3 years) 2025-2026	Long-term Goals (3-5 years) 2026-2028
Promote gender equality	Propotion of female directors in the Board		More than1/3		
	Proportion of female executives and senior managers		More than 40%	More than 41%	More than 42.3%
	Empowerment of female managers		Optimize female manager empowerment programs	Implement female manager empowerment programs	The proportion of female executives and senior managers reach 42.3%
	Follow-up mechanisms of equal pay for equal work		Expand the scope for follow-up review mechanism	Continuously implement the mechanism	Continuous implementation and optimization
Improve accessibility of financial services	Migrant Worker Lending Program	Amount of loans provided	NT$230 million	NT$250 million	
		Accumulated loan applicants and loan outstanding	Accumulated at least 17,000 applicants, with a cumulative funding amount of $1.35 billion	The cumulative number of successful applicants increases by 2,300 each year compared to the previous year. The cumulative fund allocation increases by NT$250 million each year compared to the previous year.	
	Financial ecosystem service in wholesale markets	Number of Loans	2,450	2,500	2,600
		Loan outstanding	NT$100 million	NT$120 million	NT$135 million
		Financial services support	Promote credit projects for financial ecosystem service in wholesale market	-	
	Penetration on self-employed contracted merchants (Individual merchants)	Increase number of applications	2,200	5% growth every year	2.5% growth every year
		Amount of credit card balance	NT$260 million	25% growth every year	30% growth every year
	SinoPac Stock Savings Plan	Number of Taiwan stock/US stock annual debit accounts	125,000	150,000	175,000
		Amount of Taiwan stock/US stock annual debit	NT$24 billion	NT$26.5 billion	NT$29 billion
	DAWHOTOU App	Accumulated of downloads	640,000	720,000	820,000
	Participants of eldercare trust and property trust seminars		396	10% growth every year	
Promote knowledge equality	Participation in financial literacy for children, young people, and Poor or low-income individuals.	Number of cooperative towns/communities/schools	8	10	15
		Number of participants	More than 6,000	More than 8,000	More than 10,000
Promote cultural equality	Supporting children's art and aesthetic sense education, youth cultural creation, and cultural diversity for the elderly	Number of art and cultural activities sessions	At least 5 per year		
		Number of participants in rural and underprivileged people	More than 6,000	More than 7,000	More than 8,000

Mitigate and Adapt to Climate Change

The Intergovernmental Panel on Climate Change (IPCC) published the Assessment Report 6 (AR6) in 2021-2022, clearly indicating that climate change is occurring world-wide. Nearly half the world's population live in climate change hotspots and the occurrence of extreme climate events will further cause mounting loss of property and life. Accordingly, SinoPac Holdings has undertaken to pay attention to the impact of climate change, implement environmental sustainability and supply chain management, and to promote resource recycling. Furthermore, SinoPac Holdings pledged to achieve net zero emissions in its operations by 2030 and its all-financial portfolio by 2050 in close cooperation with internal and external stakeholders.

Internally, SinoPac Holdings has taken concrete measures for energy conservation and carbon reduction such as introducing GHG inventory and expanding its scope to mitigate the impact brought by climate change. It has also integrated climate risks into the risk management system to gain an understanding on the risks and opportunities arising from climate change. Seminars and training courses are also organized to increase the employees' awareness on climate change. Externally, SinoPac Holdings strives to leverage on its core operation in the financial sector to implement responsible lending and investment policies and incorporate ESG related indicators into the evaluation process. It has also been proactively developing eco-friendly financial products to raise the climate awareness of the customers and the public and to promote energy transformation while seeking carbon-free business opportunities for customers and investors.

Mitigate and Adapt to Climate Change - Implementation Status in 2023

Action Plan	Sustainability Theme	Key KPI(s)		2023 Goal(s)	Implementation Status
Introduce and continue to intensify climate risk management	Fulfillment of Trustworthy Governance	Identify and manage the financial impact arising from climate change		1. Continue to enhance the disclosure of climate-related risk metrics for TCFD governance/strategy/risk management. 2. Continue to enhance the identification and analysis of the financial impact of short/medium/long-term climate change transition risks for operations and business. 3. Establish carbon inventory, monitoring, and disclosure mechanisms for Scope 3 investment and loan portfolios. Implement and track the actual carbon emission reduction in regular and disclose results in the Sustainability Report or TCFD Report.	Completed
Raise climate awareness (employee)	Fulfillment of Healthy Workplace	Percentage of employees signing the Code of Environmental Protection and Energy Conservation in Office		100%	Completed
		Improve sustainability literacy		Formulate sustainability literacy test	Completed
		Training	Number of ESG micro courses related climate which including net zero initiative goals	1	Completed
			Number of page views by employees	1,000	Completed
			ESG (including climate awareness) themed courses/activities	Inclusion in training for new employee	Completed
		Climate -themed activities		1	Completed
		Sustainability Manager certification and training		Formulate the programs	Completed
Support the development of the green energy technology	Fulfillment of Innovative Service	Loan outstanding of renewable energy provided by Bank SinoPac		NT$90 billion	Completed
		Total investment in green industries of SinoPac Venture Capital		NT$60 million	Not Completed (Note 1)
		Amount of loans to green energy equipment and its supply chain of SinoPac Leasing		NT$ 1.5 billion	Not Completed (Note 2)
		Set green lending standards		Continue to promote green lending and direct funding to support business transformation	Completed
		Number of ESG seminar/forum sessions		4	Completed
		Number of training course related to ESG evaluations for Institutional investors		16	Completed
Raise climate awareness (customers)		Penetration on "Carbon Footprint Calculator"		10% of active debit cardholders use "Carbon Footprint Calculator"	Completed
		Raise ESG literacies of retail customers		Enhance disclosure and marketing activities of ESG/green-related products for retail customers	Completed
		Number of participants in climate awareness related seminars for wealth management customers		300	Completed
Promote climate change mitigation actions	Fulfillment of Green Operations	Coverage of GHG inventory certification for overseas sites		100%	Completed
		Cumulative reduction rate on energy saving, water consumption and GHG emissions (2021 as the base year)		2%	Partially Completed (Note 3)
		Number of Scope 3 items verified by third-party		8	Completed
		Participate in CDP evaluation		Completed the fourth questionnaire response	Completed
		science-based targets (SBT)		SBT verified (Scope 1 +2)	Completed
		Proportion of renewable energy use		10%	Completed
		Internal carbon pricing mechanism		Review/Adjust Internal carbon pricing mechanism	Completed
		Ratio of waterproof floodgate set up in own premises in high-risk sites		50%	Completed
Raise climate awareness (the public)	Fulfillment of Inclusive Growth	Number of traffics reached by "SinoPac Life"		100,000	Completed

Note 1: As there were limited green industry investment projects that meet requirements in the venture capital investment strategy, the number of approved green investments in the year were allocated in separate tranches due to market/client factors and the target achievement rate in 2023 was 8.5%.

Note 2: By the end of 2023, the amount allocated amounted to $1.357 billion, with a target achievement rate of about 90%.

Note 3: The increase in the number of employees by 9.69% over the base year resulted in an increase of 0.72% in water consumption compared with the base year, but the per capita water consumption decreased by 8.18%.

Mitigate and Adapt to Climate Change — Action Plans and Short-term, Medium-term, and Long-term Goals

Action Plan	Key KPI(s)		Short-term Goals (1 year) 2024	Medium-term Goals (2-3 years) 2025-2026	Long-term Goals (3-5 years) 2026-2028
Introduce and continue to intensify climate and natural risk management	Identify and manage the financial impact arising from climate change		Continue to enhance the disclosure of climate-related risk metrics for TCFD governance/strategy/risk management /metrics and targets.	1. Evaluate the implementation of "Identification of nature-related risks and opportunities" framework 2. Set short/medium/long-term goals for investment and loan portfolios based on the risk appetite	Implement the "Identification of nature-related risks and opportunities" framework
	Scope 3 carbon inventory of the investment and loan portfolios (PCAF)		1. Implement the PCAF carbon inventory for Scope 3 investment and loan portfolios 2. Implement inventory and monitoring of SBT target for carbon emissions/target setting every six months	1. Continue to complete the PCAF carbon inventory for Scope 3 investment and loan portfolios, monitor and SBT targets for carbon emissions/target setting, enhance the quality of data from inventories, and disclose results. 2. Establish automated risk monitoring mechanisms in systems that related to front-end investment and loan businesses. 3. Establish an integrated climate risk management dashboard for Scope 3 carbon inventory of the investment and loan portfolios to manage and monitor related metrics and goals.	1. Continue to complete the PCAF carbon inventory for Scope 3 investment and loan portfolios, monitor and SBT targets for carbon emissions/target setting, enhance the quality of data from inventories, and disclose results every year. 2. Continue to establish an integrated climate risk management dashboard for Scope 3 carbon inventory of the investment and loan portfolios to manage and monitor related metrics and goals.
	Tracking and management of decarbonization process		1. Inventory and monitor stranded assets that meet the definition in the decarbonization statement every six months. 2. Inventory fossil fuel investment and loan portfolios every year.	1. Continue to inventory and monitor stranded assets and fossil fuel investment and loan portfolios every year. 2. Establish automated risk monitoring mechanisms for stranded assets and fossil fuel investment and loan portfolios in systems that related to front-end investment and financing businesses. 3. Establish an integrated stranded asset and fossil fuel management dashboard for management and monitoring of metrics and goals.	1. Continue to inventory and monitor stranded assets and fossil fuel investment and loan portfolios every year. 2. Continue to establish an integrated stranded asset and fossil fuel management dashboard for management and monitoring of metrics and goals.
Raise climate awareness (employee)	Promote the"Commitment of I DO" in office		100% employees of the first layer of subsidiaries of SinoPac Holdings	100% employees of SinoPac Holdings	
	Promote ESG programs		1. Continue to promote sustainability literacy surveys 2. Upload at least 2 micro courses to build ESG-related knowledge/ trend awareness	1. Upload at least 2 micro courses to build ESG-related knowledge/trend awareness 2. Formulate and launch ESG training roadmap	1. Upload at least 2 climate/net zero/nature risk related knowledge/trends micro courses. 2. Implement ESG training roadmap, encourage employees to study by themselves, attain a 20% completion rate.
	Promote ESG /net zero/ nature risk related courses and integrate them into training programs for all levels and job functions	Completion rate for new employee training	More than 50%	More than 75%	More than 80%
		Scope of implementation for supervisor training	Inclusion in training for supervisors of SinoPac Holdings, Bank SinoPac, and SinoPac Securities.	Inclusion in training for all supervisors of SinoPac Holdings.	
Support the development of the green energy industry	Loan outstanding amount of green energy financing provide by Bank SinoPac		NT$ 128 billion	NT$ 158 billion	Continue to increase the business scale of the green energy industry or related businesses aligned with climate targets
	Installed capacity of green energy trading provide by Bank SinoPac		The cumulative installed capacity amount totaled 40MW	The cumulative installed capacity amount totaled 60MW	The cumulative installed capacity amount totaled 80MW
	Total green investment amount of SinoPac Venture Capital		New investment amount reaches 15% of the total new investment amount of the year	New investment amount reaches 15% of the total new investment amount of the year	New investment amount reaches 15~20% of the total new investment amount of the year
	Amount of loans to green energy equipment and its supply chain of SinoPac Leasing		NT$ 1.5 billion/year		

Action Plan	Key KPI(s)		Short-term Goals (1 year) 2024	Medium-term Goals (2-3 years) 2025-2026	Long-term Goals (3-5 years) 2026-2028
Raise climate awareness (customers)	Number of ESG seminar/forum sessions		At least 4 every year		
	Number of ESG evaluation training courses for institutional investors		At least 16	At least 20 every year	
	Develop green finance standards		Continue to promote green lending and direct funding to support business transformation	Incorporate the Taiwan Sustainable Taxonomy into responsible lending practices (reference the EU Taxonomy)	Formulate a green credit rating model (integration of the ESG risk matrix and traditional credit rating)
	Carbon Footprint Calculator		35% of active debit card and 72% of SPORT card use the Carbon Footprint Calculator	Expanded the application of carbon footprint calculator to Mastercard and designated credit cards; 40% of active debit card and 10% of Mastercard credit card use the Carbon Footprint Calculator	40% of avtive debit debit card and 15% of Mastercard credit card use the Carbon Footprint Calculator
	Issue and promote products with low-carbon production processes		Issue and promote low-carbon process production - Green Card	Issuance of Green Card and debit card with"E-co-Label Certificate" (including renewal) 30,000 cards (2025), 50,000 cards (2026)	Issuance of Green Card and debit card with"E-co-Label Certificate" (including renewal) 50,000 cards every year
	Raise ESG literacies of retail customers		Enhance disclosure and marketing activities of ESG/green-related products (e.g., Carbon Footprint Calculator, low carbon credit card, green deposits), engagement activities and consultation for retail customers	Promote ESG/green finance literacies of retail customers	Enhance ESG/green finance literacies of retail customers
	Number of participants in climate awareness related seminars for wealth management customers		315	5% annual growth	
	Engagement on carbon reduction with investees		8 sessions organized by each of Bank SinoPac and SinoPac Securities	Continue to engage in net-zero engagement with investees	
	Net zero introduction/promotion for corporate customers		2-4 promotional activities with the goal of reaching 100-150 manufacturers	Expand and intensify net-zero operations and continue to communicate sustainable finance solutions, carbon inventory, and energy management matchmaking services to corporate customers.	
Promote climate change mitigation actions	Scope of GHG inventory and verification		Continue to implement follow-up reviews of GHG inventory and verification, and keep 100% coverage of domestic and overseas sites		
	Cumulative reduction rate on energy usage, water consumption and GHG emissions (2021 as the base year)		1. Reduce Scope 3 fuel and energy-related activities by 15% 2. Reduce electricity and water consumption by 3%	1. Reduce Scope 3 fuel and energy-related activities by 30% 2. Reduce electricity and water consumption by 4%	1. Reduce Scope 3 fuel and energy-related activities by 45% 2. Reduce electricity and water consumption by 5%
	Number of Scope 3 items verified by third-party		9	10	Continue to review the materialities of the Scope 3 and evaluate the addition of inventory items
	Respond to international initiatives	CDP	Complete the 5th questionnaire response	Continue to improve carbon disclosure management matters	Reach an A Leadership Level
		SBT	Achieved the target of 16.8% reduction in scope 1+2	Achieved the target of 25.2% reduction in scope 1+2	Achieved the target of 29.4% reduction in scope 1+2
	Proportion of renewable energy use		17.5%	35%	55%
	Internal carbon pricing mechanism		Review/Adjust Internal Carbon Pricing Mechanism	Review/Adjust Internal Carbon Pricing Mechanism	Continue to promote internal carbon pricing mechanism
	Ratio of waterproof floodgate set up in own premises in high-risk sites		75%	100%	Continue to enhance the identification of high-risk premises and monitor the risk transmission channels
Raise climate awareness (the public)	Number of persons reached by "Sustainable Ocean Development " and "SinoPac Life - A Million Acts of Green" campaign		150,000	200,000	320,000

Promote Inclusive Growth

The financial industry is regarded as a key force to improve the industry and promote economic transformation, and because its funds mainly come from the trust and support of the general public, it is expected to be able to implement financial inclusion, properly use social resources, and effectively exert influence for education, health, social welfare and other aspects, providing opportunities for the disadvantaged groups to change their life and promoting the common prosperity and growth of society. The commonwealth and mutual benefit of the stakeholders have been the first priority of SinoPac Holdings, which has been promoting inclusive growth by organizing products and services, procurement, employees care and philanthropic activities.

Inside the organization, SinoPac Holdings attaches importance to the career development, compensation, and welfare of all employees, designs a comprehensive health and well-being solution, and creates a friendly working environment. In addition, it sets up the supplier standards in place to improve suppliers' working conditions and promotes sustainable consumption and production through sustainable supply chain management in hopes of achieving strong partnership for common prosperity. Upholding the spirit of taking from society and giving back to society, SinoPac Holdings takes concrete actions to promote employment of the vulnerable populations and to implement social welfare programs. It also supports art and cultural activities in local communities as a responsible corporate citizen with an aim of achieving social prosperity.

Promote Inclusive Growth – Implementation Status in 2023

Action Plan	Sustainability Theme	Key KPI(s)	2023 Goal(s)	Implementation Status
Value employees' rights and interests while improving employees' physical and mental health	Fulfillment of Healthy Workplace	Coverage of ISO 45001 certification	50%	Completed
		Implementation of human rights risk management	1. Formulate 1 tracking mechanism for key human rights risk mitigation and remedial measures. 2. Formulate 1 due diligence mechanism for specific risk issues/ high-risk groups	Completed
		Employee engagement survey	At least 50%	Completed
		Anti-discrimination/Anti-harassment	Formulate anti-discrimination/anti-harassment statements and friendly workplace implementation plans	Completed
		Occupational health and safety management	Optimize and routinely disclose Occupational Safety and Health Statements	Completed
Support the growth of small and medium enterprises (SMEs)	Fulfillment of Innovative Service	Outstanding of SME loans	NT$315 billion	Completed
		Transaction amount of funBIZ (SME digital platform)	NT$12 billion	Completed
Enhance sustainable supply chain management	Fulfillment of Green Operations	Proportion of the suppliers signing the Supplier Sustainability Commitment	More than 95%	Completed
		Supplier ESG management mechanisms and due diligence	1. Formulate supplier labor rights management documents 2. Implement supplier self-assessment questionnaire surveys 3. Organize 1-2 sessions of supplier training programs	Completed
		Number of internal training courses for green procurement	1	Completed
Promote green procurment and responsible consumption and production pattern		Proportion of purchasing items aligned with the government's green procurement and financial policies	More than 80%	Completed
		Utilization rate of green building materials for renovation	More than 65%	Completed
		Receive Outstanding Green Procurement Organization or other related awards	Continue to win the " Green Procurement Award for Private Enterprise and Organization " or other related awards (e.g., Buying Power), hosted by Ministry of Environment	Completed
Support charity organizations /social enterprises and the employment of the vulnerable populations	Fulfillment of Inclusive Growth	Resources provided to charity organizations /social enterprises by SinoPac Holdings	At least 55 organizations with the number of traffics reach a total of 12 million	Completed
		Number of assisted social enterprises	At least 10	Completed
		Number of people supported to get employed	60	Completed

Promote Inclusive Growth – Action Plans and Short-term, Medium-term, and Long-term Goals

Action Plan	Key KPI(s)	Short-term Goals (1 year) 2024	Medium-term Goals (2-3 years) 2025-2026	Long-term Goals (3-5 years) 2026-2028
Value employees' rights and interests while improving employees' physical and mental health	Coverage of ISO 45001 certification	80% (owned buildings owned of Bank SinoPac)	100% (owned buildings owned of Bank SinoPac)	
	Optimization of human rights risk management	Expand the coverage of human rights risk assessment and due diligence	Clarify the mandate and hierarchy of human rights management mechanisms	Optimization the due diligence mechanisms for specific risk issues/high-risk groups, and strengthen the grasp of human rights risks in the value chain
	Employee survey tool- implementation scope of Pulse survey	Implement coverage to 50% of first-tier subsidiaries of SinoPac Holdings	Implement coverage to 50% of SinoPac Holdings.	Implement coverage to 75% of SinoPac Holdings.
	Creation of a friendly workplace	Evaluate and optimize disability-friendly workplace project	The proportion of hiring rate for employees with disabilities higher than the previous year	
	Implement health promotion programs	Continue to manage health risks and implement health promotion programs for employees	Promote employee health and safety, 50% of employees having a BMI within the normal range	51% of employees having a BMI within the normal range
Support the development of small and medium enterprises (SMEs)	Transaction amount of Fun Biz (SME digital platform)	$13.5 billion	2025: $15.5 billion 2026: $17.5 billion	2027: $19.4 billion 2028: $21.1 billion
	Outstanding of SME loans	$381.7 billion	The annual growth rate reaches 5~8%	
	Number of Corporate for SME loans	5,400	The annual growth rate reaches 1~3%	
Enhance sustainable supply chain management	Proportion of the suppliers signing the Supplier Sustainability Commitment	Maintain 100%		
	Optimize the procurement management system	Strengthen procurement policies and standards, and conduct 1 internal training course for procurement personnel	Continue to improve management system and enhance ESG screening mechanism for suppliers	
	Enhance the supplier's ESG concepts	1. Launch a pilot program to support one supplier's use of ESG management documents 2. Organize 1-2 sessions of supplier training programs 3. Carry out on-site audit of suppliers with high ESG risks (high carbon emissions and human rights)	1. Expand the scope of suppliers to use of ESG management documents 2. Hold the third supplier conference 3. Continue to engage with suppliers with high ESG risks (high carbon emissions and human rights)	1. Expand the scope of suppliers to use of ESG management documents 2. At least 20% of high carbon emission supplier set carbon reduction target
Promote green procurment and responsible consumption and production pattern	Proportion of purchasing items aligned with the government's green procurement and financial policies	More than 90%	More than 95%	100%
	Utilization rate of green building materials for renovation	More than 70%		More than 75%
	Receive Outstanding Green Procurement Organization or other related awards	Continue to win the "Private Enterprise and Organization Green Procurement Award" or other related awards (e.g., Buying Power)		
Support charity organizations /social enterprises to build happy society	Provide marketing and publicity resources – Number of benefited organizations	At least 90	At least 160	At least 230
	Provide marketing and publicity resources – Number of traffics by platform promotion	A total of 24 million	Accumulated 48 million	Accumulated 72 million
	Number of social enterprises assisted by providing funding and professional resources	At least 20	At least 40	At least 60

1.1.4 Performance of Six Capitals

SinoPac Holdings believes that the creation of corporate value has changed its emphasis from traditional financial performance to value creation from the "six capitals," which including financial capital, manufactured capital, intellectual capital, human capital, social and relationship Capital, and natural capital. In addition to presenting an outstanding financial result, SinoPac Holdings also takes the environmental and social impacts created by the Company's business activities into its core business model. Through checking the inputs of the six capitals on its business models, operation strategy, and the final outputs of the six capitals, the value created in business operating and the role SinoPac Holdings played were both highlighted.

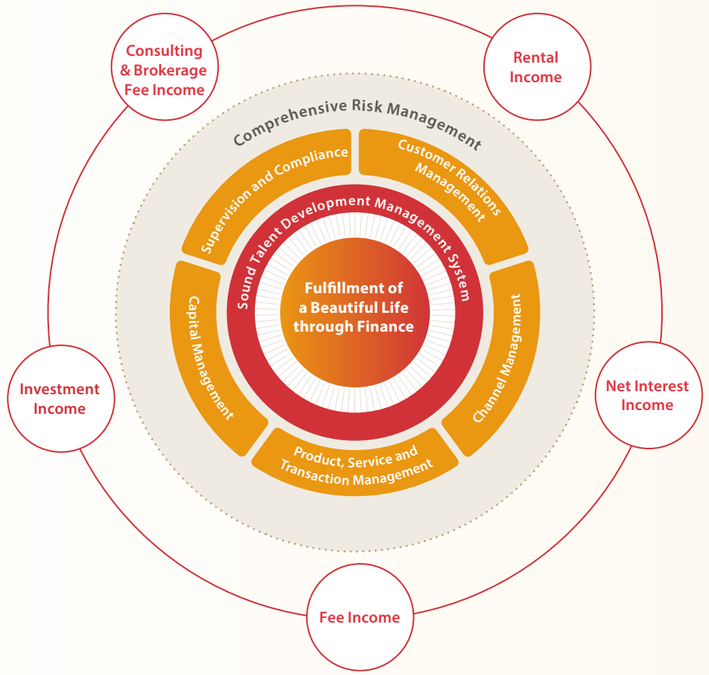
Summary of Six Capitals Performances in 2023

Input

Financial Capital
Total assets at the beginning of 2023: NT$ 2,588.8 billion.
Retained earnings at the beginning of 2023: NT$ 52.2 billion.
Invested in corporate governance improvement: NT$ 9.1775 million.
Invested in information security development: NT$ 113.673 million.
Employee salaries and benefits: NT$18 billion.
Property and equipment investment:NT$ 1.305 billion.
Expenditures on R&D: NT$ 740 million.
Expenditures on energy conservation and carbon emission reduction: NT$ 24.86 million.
Expenditures on renewable energy purchase: NT$ 18.76 million.
Expenditures on talent cultivation and competency development programs: NT$ 76.84 million.

Human Capital
Full-time employees at the beginning of 2023: 9,027 / Dispatched employees at the beginning of 2023: 346.
Total employee training hours: 665,888 hours.
Employees volunteering in philanthropic activities: 946 employees and a total of 7,304 hours.

Business Activities



Explanation of different parts of business model :

- → The core of SinoPac Holdings' business strategy.
- → SinoPac Holdings' people-oriented corporate culture.
- → SinoPac Holdings' core business activities.
- → SinoPac Holdings' core mechanism to protect the interests of all stakeholders.
- → SinoPac Holdings' five profit generation business models

Output

Financial Capital

	2022	2023	Outcome
Total assets at the end of the year (In NT$ billion)	NT$2,588.8	NT$2,771.4	+7.05%
Net profit after tax (In NT$ billion)	NT$15.961	NT$19.764	+23.83%
Net revenue (In NT$ billion)	NT$47.2	NT$53.9	+14.09%
Earnings per share (In NT$)	NT$1.37	NT$1.62	+18.25%

Manufactured Capital

	2022	2023	Outcome
New domestic sites	0	0	+0
New services and funtions	7	7	+0

Natural Capital

	2022	2023	Outcome
GHG emissions in Scope 1-2 (metric tons CO_2e)	19,209.03	16,909.65	-11.97%
Per-capita energy intensity (GJ/person)	13.35	12.36	-7.42%
Renewable energy consumption (GJ)	846.2	12,487	+11,640.8
Per-capita water consumption (cubic meters/ person)	17.84	16.88	-5.38%

Social and Relationship Capital

		2022	2023	Outcome
People participated in philanthropic activities		8,819,611	17,022,443	+93.01%
Key inclusive financial products and services	People benefited	14,999people	18,595 people	+23.97%
	Business volume	NT$43.468 billion	NT$55.265 billion	+27.14%
Bank SinoPac's customer satisfaction		95.94%	97.4%	+1.46%

Human Capital

	2022	2023	Outcome
Full-time employees at the end of the year	9,027	9,371	+3.81%
Dispatched employees at the end of the year	346	204	-41%
Turnover rate	11.53%	12.39%	+0.86%
Employee satisfaction rate (Note)	87.8%	90.2%	+2.4%
Elite Management Trainee (MA/ MVP/IMA) recruitment rate	79.7%	64.4%	-15.3%

Intellectual Capital

	2022	2023	Outcome
Number of financial certificates held by employees	31,497	31,286	-211
Deployment rate of Information Security Intelligence Platform	100%	100%	+0%

Note: SinoPac Holdings has conducted employee satisfaction survey by "Employee Engagement Survey" or " Organizational Climate Survey" in turns. The Company conducted Organizational Climate Survey in 2023, the corresponding number of 2022 in the table is the result of employee engagement survey in 2021.

1.1.5 Membership in Trade Associations

SinoPac Holdings and its subsidiaries actively participate in the association of related industries to understand the development and dynamics of financial industry, as well as laws and regulations, to adapt to the current situation and respond to various initiatives, and at the same time communicate with other peers. Through communications and cooperation, it aims to promote a stable development in financial businesses and work together to assist the government with its implementation of various financial policies. In 2023, total amount devoted to public associations engaging in supporting or participating in financial industry initiatives was about NT$5.82 million, of which the top three public associations that SinoPac Holdings contributed the most were The Trust Association of the Republic of China (NT$2,256,039), The Bankers Association of the Republic of China (NT$2,234,395) and R.O.C Bills Finance Association (NT$500,000). The amount donated to political organizations, candidates or other interest groups in the past 4 years has been zero. The Company also does not engage in any climate-related or other direct lobbing campaigns. For more information on SinoPac's donation management policies, please refer to the Sustainability section on the official website of SinoPac Holdings.

In order to ensure that its participation in climate-related lobbying activities and associations is consistent with SinoPac's climate position and Paris Agreement , SinoPac Holdings has formulated the "Participation in Climate-related Lobbying Activities and Associations Management Guidelines ", which covers SinoPac Holdings and its subsidiaries, establishing the management system in place for lobbying actities and trade association memeberships. In case of misalignment between relevant activities or the climate positon of the association and SinoPac, it must be reported to the President of SinoPac Holdings. After publicly stating SinoPac's position and active communication, whether to continuously provide financial support or withdrawal will be evaluated and determined depending on the nature of the association. SinoPac commits to publicly disclose the information of climate-related lobbying activities and trade associations' climate policy postions on regular basis. In addition, SinoPac Holdings is a member of the Business Council for Sustainable Development of Taiwan (BCSD Taiwan), the only global network partner of the World Business Council for Sustainable Development in Taiwan, to support the Council introducing international sustainable initiatives and promoting sustainable business practices, thus assisting the alignment of international sustainable standards for companies in Taiwan. Chairman Ms. Shi-kuan Chen also serves as an Executive Supervisor of BCSD Taiwan. The subsidiary Bank SinoPac is one of founding members of Sustainable Finance Implementation Platform and Taiwan Nature Positive Initiative (TNPI), which both founded by BCSD Taiwan in early 2021 and late 2022, respectively. SinoPac collaborates with partners to improve the sustainable finance ecosystem and help companies in Taiwan to respond to and manage natural risks. SinoPac Holdings is also a TCFD Supporter, and jointly support the "1.5°C Climate Action Declaration" initiated by the Chinese National Association of Industry and Commerce with Bank SinoPac and SinoPac Securities in October 2022.

SinoPac Holdings management mechanism for joining trade associations and participating in lobbying activities:

	Participating in climate-related lobbying activities	Membership in trade associations
Governance framework and accountability	The company should set up an internal project team, and the president serve as the convener or vice president who was appointed by the President.	The presidents of Sinopac Holdings and each subsidiary should appoint a management unit to coordinate and manage relevant affairs related to climate issues of the participating associations.
Management system	The content of the lobbying should be approved by the president of the company in advance, and the subsidiary should be submitted to the President of SinoPac Holdings for record. After lobbying activities, the results of the meeting should be submitted to the president of each company, and the subsidiary should be submitted to the President of SinoPac Holdings for record.	• Participating representatives must be submitted to the supervisor at a certain level or above, and should be appointed with the consent of the President. • Participating representatives are required to notify the President, the management unit and relevant supervisors by e-mail or in writing before participating in the meetings. After the meeting, key points and resolutions of the meeting should be excerpted and submitted to the above-mentioned supervisors by e-mail or in writing.
Review and monitoring process mechanisms	Any participation in climate-related lobbying activities should be consistent with SinoPac's climate position and Paris Agreement	The climate position of the trade associations should be identified before becoming the member of any new association. Annual evaluation is needed after joining to ensure consistency with SinoPac's climate position and Paris Agreement

2020-2023 Contributions and Other Spending

In NT$

	2020	2021	2022	2023
Lobbying, interest representation or similar	0	0	0	0
Political campaigns / organizations /candidates	0	0	0	0
Trade associations or tax-exempt groups	5,847,783	6,449,566	6,727,726	5,819,624
Other (e.g., spending related to ballot measures or referendums)	0	0	0	0
Total	5,847,783	6,449,566	6,727,726	5,819,624
Coverage % (Note)	100%	100%	100%	100%

Note: Figures in the table are the total amount that SinoPac Holdings and its 5 subsidiaries (same as the boundary of the report for disclosure of ESG information) contributed to the organizations whose primary role is to create or influence public policy. Therefore, the data coverage is 100%.

Public Organizations Participation in 2023

Theme of topic	Issue or topic	Name of associations / organizations	Description of position /engagement	Total amount paid in 2023 (in NT$)
Business development in banking industry	SinoPac Holdings has been focusing on various business and product developments in banking industry such as retail banking, wealth management, digital payment, credit card, management mechanisms related to internal control and lending business, as well as risk management of climate change related issues.	The Bankers Association of the R.O.C.	Serves as the Supervisor of the Bankers Association and participates in 15 business committees of the Bankers Association; appoints employees at managerial levels to serve as members of each business committee and makes suggestions for the development of related businesses. In 2021, the Company also participated in Climate Change Risk Management Task Force and Climate Change Scenario Analysis Task Force set up by the Bankers Association.	2,234,395
Research on the development of new types of trust products	In response to the aged society and the launch of the Trust 2.0 -"The 2nd phase promotion plan for "Trust Services in all Domains" launched by the competent authority, SinoPac Holding continues to monitor the development of products and services such as Trust for Elderly Care, employee stock ownership trusts, family trusts, and pre-sale house trust mechanisms. It also strengthens financial services and friendly measures for supporting the elderly (dementia) citizens and people with disabilities.	Trust Association of the R.O.C	Serves as a member of the Business Development Committee of the Trust Association, participates in the discussion of various issues of the Committee, and appoints employees to participate in the trust association's various group meetings, such as legal affairs and discipline group, trust of money and securities business group etc.; to make suggestions or participate in the discussion of research projects.	2,256,039

Membership Associations of SinoPac Holdings and its subsidiaries

Association names		
The Bankers Association of the R.O.C.	Trust Association of the R.O.C.	R.O.C. Bills Finance Association
Securities Investment Trust and Consulting Association of the R.O.C.	Taiwan Securities Association	Chinese National Futures Association
The Bankers Association of Taipei	Taipei Leasing Association	Taiwan Venture Capital Association
Cross-Strait CEO Summit	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Accounting Research and Development Foundation
Business Council for Sustainable Development of Taiwan (BCSD Taiwan)		

Fulfillment of Trustworthy Governance

2.1 Corporate Governance

2.2 Ethical Corporate Management and Legal Compliance

2.3 Risk Management

2.4 Information Security/Cybersecurity

2.5 Privacy and Security

Corresponding GRI Material Topic - Critical Topics	
201: Economic Performance	405: Diversity and Equal Opportunity
203: Indirect Economic Impact	417: Marketing and Labeling
205: Anti-corruption	418: Customer Privacy

Asia Responsible Enterprise Awards (AREA)

Responsible Business Leadership and Corporate Governance in Asia Responsible Enterprise Awards (AREA)

ISO 14064 Greenhouse Gas Emission Verification

Introduction of ISO 14064 Greenhouse Gas Emission Verification for Scope 3 financed emissions

ISO 22301:2019 BS 10012 PIMS

Obtained "ISO 22301:2019 Business Continuity Management Systems" and "BS 10012 PIMS (Personal Information Management System)" certification.

Introduction Inventory of Biodiversity Dependencies and Impacts

2 Fulfillment of Trustworthy Governance

Sustainability Commitment	Corresponding SDG	Action Plans	2028 Goals
Reduce Inequality	5 GENDER EQUALITY	Promote gender equality (Directors , middle and top management positions)	1. The ratio of female Directors reach 1/3. 2. The proportion of female in middle and top management positions rate reach 42.3%.
Mitigate and Adapt to Climate Change	13 CLIMATE ACTION	Introduce and continue to intensify climate / nature risk management	1. Introduce "Identification of nature related risks and opportunities" framework. 2. Scope 3 financed emissions Inventory (PCAF) • Continue to complete the inventory, monitoring, and disclosure of PCAF Scope 3 financed emissions every year and monitor the carbon emissions in SBT targets and the achievement of SBT pathway every 6 months, as well as improve data quality and disclose publicly. • Continuously establish an integrated climate risk management dashboard for Scope-3-financed-emissions (PCAF) to manage and monitor metrics and targets. 3. Tracking and Control of Decarbonization Progress • Regularly conduct inventory and monitoring operations based on the definition of stranded assets (decarbonization) and fossil fuel-related positions every year. • Continuously establish an integrated climate risk management dashboard for stranded assets (decarbonization) and fossil fuel-related assets to manage and monitor metrics and targets.

Summary of Six Capitals Performance in 2023

IN PUT

Financial Capital

- Invested NT$9.1775 million in corporate governance expenditures
- Invested NT$113.673 million in information security expenditures (including software, hardware and authorization related expenses)

OUT PUT

Intellectual Capital

- 100% deployment rate of the Information security intelligence platform

Summary of the Results in the 2023 Sustainable Development Plan

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note)
Improve corporate governance	• Continue strengthening board functions. ⇨ Provide diverse training programs for Directors, and the training hours of annual climate-related education reach 3 hours for members of the Board of Directors. ⇨ Enhance Board members' diversity. ⇨ Conduct external evaluations of the Board of Directors and functional committees. • Keep enhancing the functions of the Audit Committee, and the interim financial reports require its approval; the internal audit officer is required to communicate with the Independent Directors individually at least twice a year. • Evaluate the necessity of the establishment of other functional committees. • ESG-related performances are linked to the change of remuneration of the President and senior managers, and the effectiveness of sustainable performance and internal management mechanisms are reviewed. • Strengthen the Privacy Statement, and reinforce the disclosure of privacy policies and procedures in the integrated risk/compliance management framework. • Complete the identification and improvements of gaps in the 9th Corporate Governance Evaluation and prepare for the self-evaluation for the 10th Corporate Governance Evaluation.	Completed	• Continue strengthening board functions. ⇨ Provide diverse training programs for Directors, and the training hours of annual climate-related education reach 3 hours for members of the Board of Directors. ⇨ Conduct internal evaluations of the Board of Directors and include the supervision of sustainable development in the evaluation items. ⇨ Evaluate the necessity of the establishment of other functional committees. • Keep enhancing the functions of the Audit Committee. ⇨ The interim financial reports require the Audit Committee's approval. ⇨ Assess the independence and suitability of the certified public accountants annually with reference to the Audit Quality Indicators (AQIs). ⇨ The internal audit officer is required to communicate with the Independent Directors individually at least twice a year. ⇨ The Risk Management Division regularly reports to the Audit Committee on the management of climate change risks. • Enhancing Stakeholder Communication. ⇨ Report on the remuneration of directors at the annual general meeting (AGM), including the remuneration policy, the types, amounts and levels of remuneration, and the correlation with the results of performance evaluation. ⇨ Upload the entire uninterrupted audio and video recording on the official website after the shareholders' meeting. • Diversify the board of directors, with the ratio of female Directors reaching 1/3. • Extend the sustainability goals and performance linkage to supervisors (banking, securities). • Communicate with senior executives to set up a standardized shareholding requirement. • Achieve a ratio of 40% or more of female in middle and top management positions. • Complete the identification and improvements of gaps in the 10th Corporate Governance Evaluation and prepare for the self-evaluation for the 11th Corporate Governance Evaluation.

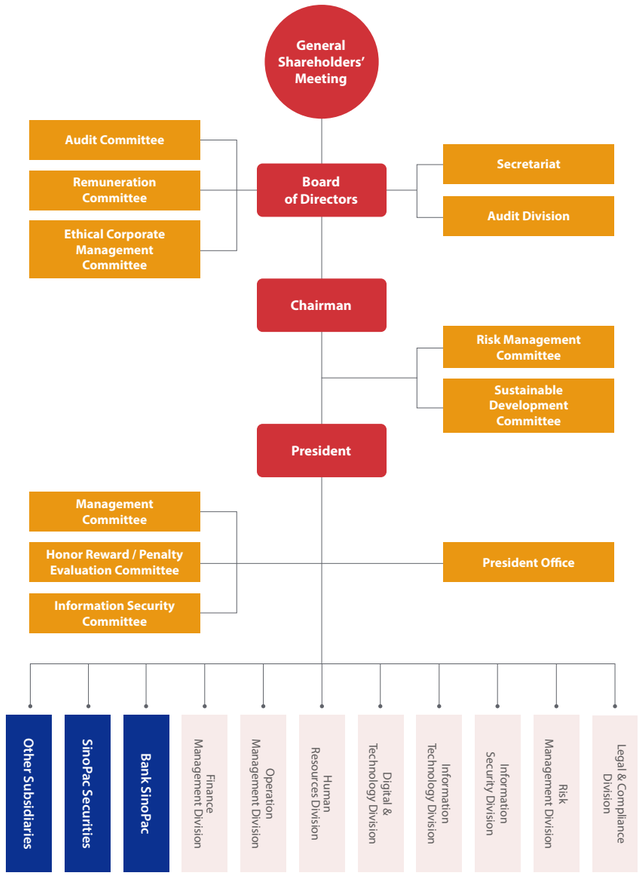
Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note)
Intensify ethical corporate management	• Convene the Ethical Corporate Management Committee to report the results of the 2022 performance evaluation, the results of audits on compliance measures for preventing unethical conduct, the progress on the whistleblowing cases of the Company and subsidiaries, and the appropriateness and effectiveness review of the measures for preventing unethical conduct. • Implement the annual training and ethical corporate management statement signature mechanism for all directors, supervisors, and employees to effectively track the implementation status of ethical corporate management policies. • Continue to enhance information disclosure and review the effectiveness of the code of conduct/moral standards. • Establish compliance procedure to manage the prevention of unethical behavior plan. • Continue to pay attention to international development trends of ethical corporate management.	Completed	• Convene the Ethical Corporate Management Committee to report the results of the 2023 performance evaluation, the results of audits on compliance measures for preventing unethical conduct and the progress on the whistleblowing cases of the Company and subsidiaries. • Implement the annual training and ethical corporate management statement signature mechanism for all directors, supervisors, and employees. • Continue to enhance information disclosure and review the effectiveness of the code of conduct/moral standards. • Establish compliance procedure to manage the prevention of unethical behavior plan. • Continue to pay attention to international development trends of ethical corporate management.
Enhance information disclosure transparency	• Continue to optimize the official website. ⇨ Landing page: Set up landing pages for each section to enhance the presentation of highlights of each section and help users find important information. ⇨ ESG highlight interviews: Add ESG highlight interviews in the sustainable development section with interviews of executives and customers on topics including green finance, green products, green bonds, and inclusive finance.	Completed	• Continue to optimize the official website and updated the visual design of the "sustainability section" and "Sitemap". • Completed 13 interview articles on inclusive finance (Smart Wholesale Market Transaction Facilitation Platform, Financial Services Solutions for Migrant Workers), Green investment (SinoPac+ ESG Evaluation System), green finance (solar photovoltaic), and green bond executives and clients. SinoPac Holdings continues to evaluate the feasibility of publicizing the highlights before going online.
Optimize risk management mechanisms	• Continue to enhance the disclosure of climate-related risk metrics for TCFD governance/strategy/risk management. • Continue to enhance the identification of short/medium/long-term climate change transition risks for operations and business and analyze the potential financial impact. ⇨ Continue to enhance the identification of short/medium/long-term climate change transition risks for operations and business based on the life cycle. ⇨ Evaluate the potential financial impact of short/medium/long-term low carbon transition risks in the Company's own operations. ⇨ Expand the evaluation of the transition risks scenario analysis and potential financial impact from the current scope of "industrial manufacturing – manufacture of basic metals and fabricated metal products" to industries with high carbon emissions and companies listed by the Ministry of Environment as companies with high carbon emissions. • Continue to strengthen the identification of specific emerging risks to clearly describe the impact of the risks on operations and business. • Establish carbon inventory, monitoring, and disclosure mechanisms for Scope 3 investment and lending portfolios. ⇨ Establish inventory and monitoring mechanisms and implement and track the actual carbon emissions and the corresponding status of targets set in Scope 3 investment and lending portfolios each year. ⇨ Disclose inventory results in the Sustainability Report or Climate and Nature-Related Financial Disclosures Report each year.	Completed	• Continue to enhance the disclosure of climate-related risk metrics and targets for TCFD governance/strategy/risk management. • Perform risk assessment of sensitivity analysis or stress tests based on identified non-financial risks. • Inventory, monitoring and disclosure mechanisms for carbon inventory in PCAF Scope 3 financed emissions and SBT Targets (SDA and SBT Methods) on an on-going basis. ⇨ Continue to complete the inventory, monitoring, and disclosure of PCAF Scope 3 financed emissions every year and monitor the carbon emissions in SBT targets and the achievement of SBT pathway every 6 months, as well as improve data quality and disclose publicly. ⇨ Disclose inventory results in the Sustainability Report or Climate and Nature-Related Financial Disclosures Report each year. • Tracking and Control of Decarbonization Progress. ⇨ Regularly conduct inventory and monitoring operations based on the definition of stranded assets (decarbonization) every 6 months. ⇨ Conduct inventory of Fossil Fuel investment and lending portfolio every year.
Strengthen information security	• Convene regular meetings of the Information Security Committee/information security sharing conference to review regulations and incidents related to information security and optimize the response and analysis of information security incidents. • Implement plans and tests for the computer information security assessment and improve the network and information system defense capabilities. • Reduce the probability of occurrence of online fraud and continue to incorporate detection services for phishing websites and false mobile apps. Monitor, inspect, track, and remove suspicious websites and false mobile apps from unofficial sources. • Continue to optimize the information security detection and defense mechanisms for automatic intelligence integration. • Organize information security incident reporting and response exercises and Cyber/Information Security Offensive and Defensive Exercise to integrate cross-departmental incident and crisis response capabilities and ensure the maintenance of a capable information security system. • Identify new technology information security risks in the financial digital transformation and innovative applications to enhance information security defense capabilities. • Implement cost reduction for information security expenses. • Recruit and promote information security talents and train the elite of information security operators.	Completed	• Optimize supply chain information security risk management. • Optimize the demand-driven information security system and the compilation mechanisms for daily information security incident reporting records. ⇨ Convene regular meetings of the Information Security Committee/information security sharing conference. ⇨ Compendium of measures to prevent the occurrence of online frauds. ⇨ Enhance the capacity of information protection in response to the financial digital transformation and innovative applications. ⇨ Implement cost reduction for information security expenses. • Continue to optimize the information security detection and defense mechanisms for automatic intelligence integration by introduction of AI. • Promote simulated hacker attack testing and reporting and response exercises.

Note: Please refer to "Sustainable Development Goals and Vision" on the official website of SinoPac Holdings for the latest sustainability work plans and target.

2.1 Corporate Governance

2.1.1 Governance Framework

To establish a solid corporate governance system, SinoPac Holdings has established the "Corporate Governance Guidelines" in accordance with the "Corporate Governance Best Practice Principles for Financial Holding Companies" and the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". The main strategies for implementation are as follows:



Main directions of implementation of the "SinoPac Holdings' Corporate Governance Guidelines"	
Compliance and solid internal management.	Fulfillment of Audit Committee's function.
Protecting shareholders'rights and interests and the corporate governance relationship between the Company, its subsidiaries and its affiliates.	Respect for the interests of employees and stakeholders.
Reinforcement of the functional duties of the Board of Directors.	Enhancement of information transparency.

SinoPac Holdings has set up three functional committees including the Remuneration Committee, Audit Committee, and Ethical Corporate Management Committee in accordance with the "Remuneration Committee Organizational Charter", "Audit Committee Organizational Charter", and "Ethical Corporate Management Committee Organizational Charter".

List of SinoPac Holdings' Functional Committees

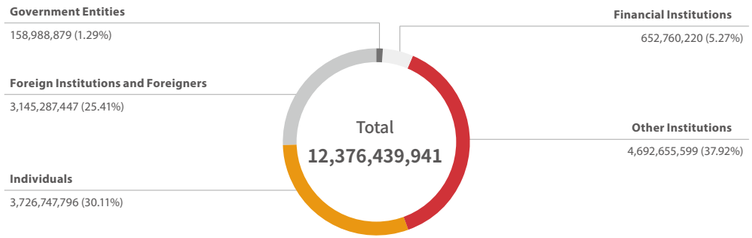
Committee	Committee Composition	Responsibilities	Organizational Charter and Important Guidelines	Operations in 2023
The 4th Audit Committee	The Audit Committee consists of all Independent Directors of SinoPac Holdings. The Independent Director Wen-ling MA serves as the convener.	• Supervise the effective implementation of internal control. • Supervise the Company's compliance with laws and regulations and control over existing or potential risks.	Audit Committee Organizational Charter	A total of 9 meetings were held and the attendance rate was 100%.
The 5th Remuneration Committee	The Remuneration Committee consists of all Independent Directors of SinoPac Holdings. The Independent Director Wei-ta PAN serves as the convener.	• Establish Directors' and managers' performance evaluations and salary policies, systems, standards, and structures. • Regularly assess Directors and managers' remuneration.	Remuneration Committee Organizational Charter	A total of 10 meetings were held and the attendance rate was 100%.
The 3rd Ethical Corporate Management Committee	The Ethical Corporate Management Committee consists of all Independent Directors of SinoPac Holdings, Bank SinoPac, and SinoPac Securities Corp. The Independent Director Wei-ta PAN serves as the convener.	• Responsible for the review of the ethical cooperate management policies and prevention programs, as well as the supervision of the managerial department's implementation performance; regularly reporting on the compliance status to the Board of Directors. • Incorporate good faith and ethical values into the Company's business strategy. • Review preventive programs of unethical acts and checks and balances mechanisms for ethical. corporate management • Establish a whistleblowing system and supervision • of the effectiveness of its implementation.	Ethical Corporate Management Committee Organizational Charter Guidelines for Ethical Corporate Management Procedures for Ethical Management and Guidelines for Conduct	A total of 2 meetings were held and the attendance rate was 100%.

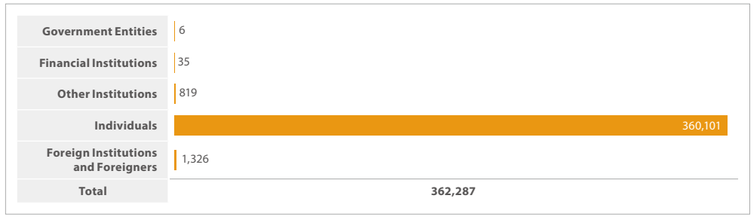
2.1.2 Shareholding Structure

SinoPac Holdings discloses its shareholder structure as shown in the table below. Shares held by government entities account for less than 5%. Please refer to P116 of SinoPac Holdings'Annual Report for more information.

Shareholder Structure (Common Stock)

August 15, 2023; Unit: Shares





Shareholder Structure (Type A Preferred Stock)

August 15, 2023; Unit: Shares

	Government Entities	Financial Institutions	Other Institutions	Individuals	Foreign Institutions and Foreigners	Total
Number of Shareholders	—	—	—	1	—	1
Shares	—	—	—	10,000,000	—	10,000,000
Percentage	—	—	—	100%	—	100%

2.1.2.1 Percentage of Shares Held by Family Members

More than 5% of the shares of the Company is held by the substantial shareholder S.C. HO and the companies in which he holds more than 50% of the shares. S.C. Ho and the same related party declared their holding of 20.99% of SinoPac Holdings' shares on December 31, 2023 (major shareholders and the same related party with more than 10% of shares). Please refer to the "inquiries on the reports on the change of shareholding by major shareholders of banks (financial holding companies)" on the Market Observation Post System.

2.1.3 Composition and Operations of the Board of Directors

2.1.3.1 Composition of the Board of Directors

SinoPac Holdings' 8th Board of Directors consists of seven Directors including one Executive Director and six non-executive Directors. Three Directors (43%) meet the criteria for independent director based on the laws and regulations of Taiwan and six Directors (86%) meet the criteria for independent directors based on international practices (same as S&P Global Corporate Sustainability Assessment definition) . Except for the Executive Director for whom the independence criteria of non-executive Directors do not apply, the Chairman and other non-executive Directors meet the independence criteria in international practices. Please refer to the notes below the table of the composition and background of Directors for detailed definitions. As of May 24, 2024, the average term of Directors is 3.8 years. SinoPac Holdings established the "Procedures for Election of Directors " and values diversity in the composition of the Board of Directors. It stipulates in the "Corporate Governance Guidelines " that diversity must be considered for the composition of the Board of Directors, and the Company must establish suitable diversity policies for basic qualifications and values (including but not limited to gender, age, nationality, race, and culture). To ensure gender equality in the composition of the Board of Directors, the 8th Board of Directors includes 3 female Directors who account for more than 40% of all Directors and Ms. Shi-kuan CHEN was reelected as the Chairman.

The current Board of Directors consists of three female directors and four male directors with an average age of over 55 years old; among them there are three doctors and four masters, all of whom have relevant professional background and experience required by the financial industry or other industries. Based on the professional capabilities of these seven directors, the Board of Directors possesses various skills, such as operational judgments, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, decision-making, and risk management knowledge.

The composition and background of SinoPac Holdings Directors are as follows

Name of Board Member	Basic Information							Industry Experience						Professional Skills							Relevant Work Experience in Financial Industry	Concurrent Role as Manager	Independence	
	Nationality	Gender	Concurrent Role as Manager	Age			Term	Financial Industry					Other Industries	Banking	Commerce	Law	Finance/ Accounting	Information Security/ Information Technology	Climate Change/ Environmental Protection	Risk Management		Fewer than Four Other Position Concurrently Held in Other Companies (Note 1)	Fulfillment of Independence Criteria of Non-Executive Directors Based on Taiwanese Definitions (Note 2)	Fulfillment of Independence Criteria of Non-Executive Directors Based on International Definitions (Note 3)
				55 - 60	61 - 65	66 - 70		Financial Holding Company	Bank	Securities	Insurance	Investment Trust												
Shi-Kuan CHEN	ROC	Female		●			2020/05/13 ~	●	●			●	●	●	●		●	●		●	• Ph.D. in Economics, Yale University, USA • President, Chung-Hua Institution for Economic Research, which provides the government with recommendations on medium to long-term economic policies • Independent Director, DBS Bank (Taiwan) Ltd. • Director, Mega Financial Holdings Co., Ltd. • Supervisor, Mega International Commercial Bank Co., Ltd. • Director, Central Bank of the Republic of China (Taiwan) • Committee Member, Review Committee on Application of Financial Regulatory Sandbox, Financial Supervisory Commission (Taiwan)	●		●
Wei-ta PAN	ROC	Male				●	2020/05/13 ~	●			●		●	●	●	●				●	• President, Soochow University; Professor, Department of Law, Soochow University (Note 4) • Independent Director, China Life Insurance Co., Ltd. (Note 5)	●	●	●
Huey-jen SU	ROC/ U.S	Female			●		2023/5/24 ~	●					●	●	●				●	●	• PhD in Environmental Health, Harvard School of Public Health • President, National Cheng Kung University • Distinguished Chair Professor, Department of Environmental and Occupational Health, College of Medicine, National Cheng Kung University • Committee Member, Future Earth Taipei, Academia Sinica (Note 6)	●	●	●
Wen-ling MA	ROC	Female		●			2023/5/24 ~	●	●			●		●	●		●			●	• Chief Executive Officer, Nomura Asset Management Taiwan Ltd. • President and Chief Sales and Marketing Officer, Aberdeen Standard Investments Taiwan Limited • Managing Director, Head of Wealth Management, Standard Chartered Bank • Executive Director, Head of Investment Products & Services, UBS Wealth Management • SVP, Head of Wealth Management and SVP, Head of Investment and Insurance, HSBC • Manager, Investment Products and Research, CitiBank	●	●	●
Stanley CHU	ROC	Male	●	●			2017/12/05 ~	●	●	●				●	●		●			●	• Chairman, Cathay Securities Corporation • Chairman and President, KGI Futures • Spokesman and Senior Executive Vice President, Taiwan • Stock Exchange Corporation • Senior Executive Vice President and Director, Taiwan Futures Exchange	●		Not applicable (Note 7)
Chi-hsing YEH	ROC	Male		●			2018/05/01 ~	●					●	●	●	●		●		●	• Attorney (Note 8) • Prosecutor of ROC (Note 9) • Assistant Professor, School of Law, Soochow University, where he lectures in courses on the Personal Data Protection Act	●		●
Wei-thyr TSAO	ROC	Male			●		2020/05/13 ~	●	●	●			●	●	●		●			●	• Managing Director, Acting President in Taiwan, and Head of Global Finance and Risk Solutions for Greater China, Barclays Capital Asia Ltd. • Managing Director, Morgan Stanley Asia Limited • Executive Vice President and Head of Group Fixed Income, China Development Financial Holding Corporation • General Manager, China Development Industrial Bank • Managing Director, UBS • Executive Director,Goldman Sachs LLC Hong Kong	●		●

Note 1 : Article 28 and 38 of SinoPac Holdings' "Corporate Governance Guidelines" state that when the representative of the Company holds a concurrent position, he/she shall ensure the effective execution of current and concurrent duties and shall not engage in acts involving conflict of interest or violation of internal control, supervisory, and balance systems of the Company and its investee enterprises and subsidiaries. The Guidelines also state that Independent Directors should not serve as the director (including independent director) or supervisor of more than four TWSE/TPEx-listed companies at the same time.

Note 2 : Non-executive directors must meet the independence criteria for directors in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" published by the FSC of Taiwan. The Independent Directors meet the following conditions during the two years before being elected or during the term of office:

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company or its affiliates (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with the Securities and Exchange Act or local laws of the registered country).

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager as stated in (1) or any of the persons mentioned in (2) and (3).

(5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with the Securities and Exchange Act or local laws of the registered country).

(6) Not a director, supervisor, or employee of another company where the majority of directors, or more than half of the voting shares are controlled by a single person (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with the Securities and Exchange Act or local laws of the registered country).

(7) Not a director, supervisor or employee of another company or institution that has the same chairman, president, or the equivalent or a spouse in one of the roles as the company (except where the person is simultaneously an independent director of the company and its parent company, a subsidiary or another subsidiary of the same parent company appointed pursuant to the Securities and Exchange Act or local laws of the registered country).

(8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the company (this restriction does not apply to independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company which have been appointed in accordance with the Securities and Exchange Act or local laws of the registered country).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not a spouse or relative within the second degree of kinship of any other Director of the Company.

(11) Not elected in the capacity of the government, a juristic person, or a representative thereof as provided in Article 27 of the Company Act.

Note 3 : Non-executive Directors' compliance with international independence criteria is determined based on the definitions of independent directors in the S&P Global Corporate Sustainability Assessment (CSA) . They must meet at least 4 of the 9 independence criteria (of which at least 2 of the first 3 criteria) listed below:

(1) The director must not have been employed by the company in an executive capacity within the last year.

(2) The director must not accept or have a "family member who accepts any payments from the company or any parent or subsidiary of the company in excess of US$60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions.

(3) The director must not be a "family member of an individual who is employed by the company or by any parent or subsidiary of the company as an executive officer."

(4) The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.

(5) The director must not be affiliated with a significant customer or supplier of the company.

(6) The director must have no personal services contract(s) with the company or a member of the company's senior management.

(7) The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.

(8) The director must not have been a partner or employee of the company's outside auditor within the last year.

(9) The director must not have any other conflict of interest with the independent operations of the Board of Directors.

Note 4 : Wei-ta PAN has written books on the Company Act, Negotiable Instruments Act, and commercial law, and has extensive knowledge and experience in business transactions between companies, corporate governance, strategic planning, policies, and regulations.

Note 5 : During his tenure as Independent Director of China Life Insurance, Wei-ta PAN participated in the review and implementation of important policies and approved the "Business Channel Transformation Project" for the comprehensive transformation and optimization of business management and improvement of China Life Insurance's overall competitiveness in the market. He helped China Life Insurance receive two "excellence certifications" from Taiwan Corporate Governance Association during his time at the company.

Note 6 : Ms. Huey-jen SU has a PhD in Environmental Health, Harvard School of Public Health. Her expertise includes sustainable development, climate change, and environmental science. All financial regulators in different countries emphasize the importance of the board of directors in the climate governance of financial institutions. SinoPac Holdings also adopted "Mitigate and Adapt to Climate Change" as one of its three main commitments. A director with climate-related expertise in the Board of Directors will enhance the Company's climate governance competencies.

Note 7 : Stanley CHU is an executive director (manager of the Company) and the independence criteria for non-executive director do not apply.

Note 8 : Chi-hsing YEH is one of the rare attorneys in Taiwan with expertise in both technology and law. He has assisted the government and enterprises in dealing with legal issues derived from FinTech and emerging network technologies. He is also an expert in FinTech and specializes in legal issues involving emerging technologies such as big data, artificial intelligence, blockchain, and Internet of Things (IOT).

Note 9 : Chi-hsing YEH drafted Chapter 36 "Offenses Against the Computer Security" of the Criminal Code during his tenure as a prosecutor and he has extensive knowledge of e-commerce and the information security industry. He had served as senior manager of e-commerce and information security companies

Board Diversity Targets

At least one female director in the Board of Directors	Achieved over 40% of Board members are female
At least 3 Independent Directors with no less than one-third of the Directors' seats and no more than 3 consecutive terms	Achieved
Directors who serve concurrently as managers should not account for a high proportion of the Board of Directors	Achieved
All Directors must sign the compliance statements for the Ethical Corporate Management Policy	Achieved
The Board of Directors possesses nine major capabilities for corporate governance	Achieved
The Board of Directors possesses professional experience in 7 major industries including banking, business, law, accounting/finance, information on security/information technology, climate change/environmental protection and risk management	Achieved
At least one Director must have bank and securities expertise	Achieved

2.1.3.2 Operations of the Board of Directors

As a principle, SinoPac Holdings' Board of Directors convenes one meeting each month and the minimum of attendance for all members required is 80%. 14 meetings of the Board of Directors were held in 2023 and the average board meeting attendance was 100%. The average board meeting attendance of Directors is included as an evaluation item in the performance evaluation of individual Directors. Directors that have conflicts of interests in resolutions would recuse themselves from voting in accordance with laws. Please refer to P38 to 43 of SinoPac Holdings' 2023 Annual Report for the attendance of Directors in board meetings and the recusal of Directors due to conflicts of interests. SinoPac Holdings has purchased the liability insurance for directors, supervisors, and managers since 2003 and review the contents of insurance policies each year.

SinoPac Holdings uses the TWSE Market Observation Post System, corporate website, and annual reports to disclose the Directors' education/training and attendance in the Board of Directors. Major resolutions are disclosed in the Annual Report and company website as well as recusals of Directors from agenda items due to conflicts of interests to improve information transparency in the operations of the Board of Directors. For more information on SinoPac Holdings' Director Nomination and Selection System and the Regulations Governing the Evaluation of the Performance of the Board of Directors , please refer to the official website and Policies and Regulations in Download .

All Directors met requirements as specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" in 2023 with an average of 15.42 hours of training which was higher than the 6 hours required in regulations. Continuing education courses included courses on topics such as Information Security Governance, friendly financial services for treating customers fairly, Prevention of Money Laundering, Sustainable Governance, Sustainable Finance and Climate Change, Net Zero Emission Trend and Carbon Inventory, Generative AI and Digital Transformation, Protection of Trade Secrets, Professional Functions of Independent Directors, etc. Please refer to P58 to 59 of SinoPac Holdings' 2023 Annual Report for details on the continuing education/training of Directors.

2.1.3.3 Board Performance Review and Remuneration Policy

SinoPac Holdings has established the Regulations Governing the Evaluation of the Performance of the Board of Directors in 2018 . The performance of the Board of Directors and functional committees should be reviewed according to the review procedures and indicators set forth in the Regulations on an annual basis. The performance review of the Board of Directors and functional committees shall be conducted by an external professional independent institution or a team of external experts and scholars at least once every three years, and the results of performance review shall be reported to the Board of Directors before the end of March in the following year. In 2022, SinoPac Holdings appointed EY Business Advisory Services Inc. to conduct the performance evaluation of the Board of Directors and functional committees. The Company's overall performance in terms of the structure, people, and process and information of the Board of Directors and functional committees was rated as benchmark. In 2023, the Company conducted an internal self-assessment to evaluate the performance of the Board of Directors. The evaluation criteria were based on the weighted scores of each measurement item, and the results of the evaluation were categorized into five levels, namely, excellent, good, good, fair, and needs to be strengthened, and the circumstances under which the Board of Directors adequately supported the Company's efforts to promote sustainable development and oversee the development of the Company's sustainable development were also included as indicators in the evaluation. The results of the fiscal year 2023 evaluation of the Board of Directors are set forth below:

Internal Self-Evaluation of Board Performance (Evaluation Period: January 1, 2023 to December 31, 2023)

Evaluation Scope	Evaluation Content	Evaluation Results
Board of Directors	1. Degree of participation in the Company's operations 2. Enhancing the quality of board decisions 3. Board Composition and Structure 4. Election of Directors and Continuing Education 5. Internal control and other five aspects	Excellent
Individual Board Members	1. Control over the Company's goals and missions 2. Understanding of duties as Directors 3. Degree of participation in the Company's operations 4. Management of internal relationship and communication 5. Directors' professionalism and continuing education 6. Internal control	Excellent
Audit Committee, Remuneration Committee, and Ethical Corporate Management Committee	1. Degree of participation in the Company's operations 2. (Understanding of duties as Committee 3. Enhancing the quality of board decisions 4. Enhancing the quality of Committee decisions 5. Committee composition and selection of members 6. Internal control	Excellent

Directors' Remuneration Policy

The range of SinoPac directors' remuneration including the transportation and attendance fees, compensation, and rewards. The payments for transportation and attendance allowances shall be processed in accordance with the "Payment Guidelines for Transportation and Attendance Allowances for Directors, Supervisors, and Consultants" adopted by the Board of Directors. The directors' remuneration is determined by the Remuneration Committee and the Board of Directors with reference to the industry's average level. The criteria and procedures for appropriating directors' remuneration are specified in the Articles of Incorporation. The rate and amount of director's compensation are based on the results of director's performance evaluation, the performance of duties, the company's financial and operating performance, corporate governance and ESG performance, and the reasonableness of the correlation of future risks, with reference to the industry's average level, and are reviewed and approved by the Remuneration Committee and the Board of Directors, and reported to the shareholders' meeting.

2.1.4 Senior Executive Remuneration Policy

2.1.4.1 Senior Executive Remuneration System

The remuneration for the President and Vice President (senior executives) of SinoPac Holdings is based on their individual professional qualifications and experience and the prevailing rates in the industry, discussed in the remuneration committee, and then submitted to the Board of Directors for approval. In addition to the fixed monthly base salary and allowances, the Company issues performance bonuses and long-term incentives according to the Company's rules with consideration of the overall annual business performance, personal performance, and future risks in the medium to long-term strategy of SinoPac Holdings.

To balance short-term and long-term remuneration, business performance and personal performance, cash and non-cash remuneration, SinoPac Holdings established the Long-Term Incentives and Remuneration. The proportion of President and Vice President's (senior executives) long-term compensation deferral is equivalent to more than 20% of the performance bonus, which is deferred by way of virtual shares and employee stock ownership. The performance evaluation period for the variable compensation is 3 years and the total lock-up period is 5 years. It is connected to the value of the shares of SinoPac Holdings, so that the remuneration of managers is closely linked to the business performance and long-term development of SinoPac Holdings.

Clawback Policy and Explanation

Where a manager violates laws or professional ethics, commits acts of negligence or dereliction of duties, or engage in inappropriate conduct that causes businesses risks and damages the Company's interests or reputation, the Company may adjust the distribution ratio after the approval of Board of Directors or implement a clawback of distributed incentives.

2.1.4.2 Senior Executive Sustainability Performance Targets

To fulfill sustainability strategies and implementation progress, SinoPac Holdings already included sustainable development into one of its four major strategies for 2022-2024 as well as the long-term and short-term performance targets of the President and senior executives. It is also connected to the variable remuneration and targets are explained below:

Long-term performance targets

The long-term incentives for the President and Vice Presidents (senior executives) of SinoPac Holdings include the financial performance, implementation of long-term strategies, and TSR shareholder value of SinoPac Holdings and subsidiaries in the next 3 years, the risk management, corporate governance, and the sustainability indicator which is additionally account for 15% are considered as well. The company connects managers' obligations and responsibilities to long-term performance in the implementation of sustainability targets and passage of domestic and international evaluations as the conditions for unlocking the shareholding trust scheme.

Short-term performance targets of the President

Metrics	Weight	Description
Financial indicators	20%	The Company's financial performance and comparison with competitors such as ROE, ROE ranking in the industry, budget attainment rate, total assets, and revenue.
Strategic indicators	50%	Objectives of future medium and long-term strategies such as performance of digital transformation, achievement of sustainability commitments, and mitigation and adaptation to material topics.
Sustainability and internal control indicators	30%	Implementing three major commitments; attaching importance to ethical corporate management, legal compliance and risk management; executing key ESG tasks (including attention paid to climate risks and implementation of specific actions for net zero emissions which account for 10%).
Management indicators	Additional items	Human resource indicators including talent retention and development, and occupational safety and health actions.

Short-term sustainability performance indicators of senior executives

Metrics	Weight	Description
Material topic mitigation and adaptation	5%~10%	Assign at least 10% to the KPI sustainability indicators for each department of SinoPac Holdings based on the sustainability indicators they manage. Relevant responses to the material topics are included in the performance indicators of the President and the short-term performance indicators of senior executives of SinoPac Holdings.
Climate change mitigation and adaptation	3%~10%	To promote climate change mitigation and adaptation, climate-related KPIs have been included in the performance indicators of senior executives of SinoPac Holdings as below listed: 1. Raise internal climate awareness / Director, Human Resources Division of SinoPac Holdings (3%). 2. Net zero commitment such as GHG inventory and certification/ Director, Operation Management Division of SinoPac Holdings (10%). 3. Risk management such as the optimization of risk management mechanisms - import and continue intensifying climate risk management/ Director, Risk Management Division of SinoPac Holdings (10%).
Occupational safety and health promotion	5%	Promoting workplace safety are included in the performance indicators of the President and senior executives of SinoPac Holdings, such as ISO 45001 coverage rate, anti-discrimination and anti-harassment, and the "Take Care of One Person, Protect One Family" employee health management plan (please refer to 4.4.3 Occupational Health and Safety).

Material topic	Senior Executives in Charge	Performance Indicators	Percentage of Performance Links
Corporate Governance	Director, Legal & Compliance Department of SinoPac Holdings	• Corporate Governance Related Programs. • Enhancement of corporate governance evaluation, integrity management, and implementation of whistleblowing mechanism.	10%
Risk Management	Director, Risk Management Division of SinoPac Holdings	Optimize risk management mechanism - Introducing and continuously deepening climate risk management.	10%
Information Security and Cybersecurity	Director, Information Security Division of SinoPac Holdings	Enhance information security, computer system security assessment and testing, information security exercise, etc.	10%
Corporate and Customer Information	Director, Information Security Division of SinoPac Holdings	Enhance information security, protection in response to financial security threats.	12.5%
Investment and Financing Impacts	Director, Financial Management Division of SinoPac Holdings	• Implement responsible lending an investment. • Promote sustainable financial products and services.	10%

2.1.4.3 Executive Remuneration

In 2023, total remuneration paid by SinoPac Holdings to senior executives accounted for 0.56% of the net profit after tax. The remuneration paid to senior executives ranked President and Vice Presidents of SinoPac Holdings accounted for 1.26% of the net profit after tax of SinoPac Holdings' consolidated financial statements. Refer to P.35~37 of the 2023 Annual Report of SinoPac Holdings for related information on their remuneration. There are no share ownership requirements for the CEO and other members and executive committee. As of the end of 2023, the President of SinoPac Holdings held 19,380 shares and the average across other executive committee members (excluding the President) owning shares accounted for 1.88 times the base salary.

Compensation ratio between the President and employee in 2023

Ratio between the total annual compensation of the President and the mean compensation of employees	Ratio between the total annual compensation of the President and the median compensation of employees	Mean compensation of employees (excluding the President)	Mean compensation of employees (excluding the President)	Ratio between the increase in total annual compensation of the President and the increase in median compensation of employees
34.5 to 68.9: 1	43.8 to 87.5: 1	1,451 (in NT$ thousand)	1,143 (in NT$ thousand)	76.22%

2.2 Ethical Corporate Management and Legal Compliance

2.2.1 Ethical Corporate Management Culture

SinoPac Holdings established the "Ethical Corporate Management Committee" in 2018. The " Ethical Corporate Management Committee" consists of 9 members including the Independent Directors of SinoPac Holdings, Bank SinoPac, and SinoPac Securities. Meetings of the Committee are convened at least once every six months. The Committee is responsible for the review of the ethical corporate management policies and prevention programs, and for supervision of the implementation performance of the managerial departments. The Committee regularly obtains information concerning the risks of unethical conduct and reporting mechanisms from the Legal & Compliance Division, Audit Division, and units related to the cases, and reports the compliance status and resolutions to the Board of Directors after the meetings of the Committee. Please refer to the official website for related duties. Two meetings of the Ethical Corporate Management Committee were held in 2023 and the results included:

- Organization of the 2022 performance evaluation of the Ethical Corporate Management Committee and compilation of the self-evaluation reports of members as a reference for the review and improvement of the Ethical Management Committee.
- Review of the issues of SinoPac Holdings and subsidiaries on compliance measures for preventing unethical acts.
- Examination of the results of the compliance check of the Company's and subsidiaries' programs to prevent unethical acts.
- Supervision of the effectiveness of the whistleblowing system such as the review of the Regular Reports on Whistleblowing Cases of SinoPac Holdings and Subsidiaries.
- Amendments to the Company's " Whistleblowing Policy " in order to clarify the procedures for handling whistleblower cases.
- Supervision of the promotion of the ethical corporate management policies and training.

2.2.1.1 Ethical Corporate Management Policy and Management

Key points of the SinoPac Holdings Ethical Corporate Management Policy	
1. Prohibition of offering or accepting illegitimate benefits	8. Prohibition of infringement of Intellectual Property Rights
2. Prohibition on offering or promising any facilitating payment	9. Prohibition on engaging in unfair competitive practices
3. Prohibition on offering and acceptance of bribes	10. Compliance with confidentiality agreements and prohibition on insider trading
4. Maintenance of political neutrality and no political donations	11. Compliance and proclamation of related ethical corporate management regulations
5. Charity donations or sponsorship shall be processed in accordance with the "Donation Management Regulations"	12. Ethical corporate management evaluation before establishing business relations
6. Principles for recusal due to conflict of interest	13. Avoidance of commercial dealings with unethical operators
7. Confidentiality obligations	14. Prevention of damage to stakeholders from products or services

SinoPac Holdings established comprehensive ethical corporate management policy for different stakeholders as the basis for compliance by all employees of SinoPac Holdings and subsidiaries. The regulations require employees to process business affairs in an objective manner and recuse themselves from conflicts of interest.

SinoPac Holdings Ethical Corporate Management Regulations

Title	Targets	Objectives
"Guidelines for Ethical Corporate Management"	Directors, Supervisors, managers, employees, or mandatories of the Company and subsidiaries, or persons with substantive control	Establishment of the Company's corporate culture of ethical corporate management and sound development
"Procedures for Ethical Management and Guidelines for Conduct"		Implementation of ethical corporate management and active prevention of unethical acts
"Guidelines for Code of Ethical Conduct"	Directors, Supervisors, and managerial officers of the Company and its subsidiaries	Guidance for the conduct of Directors, Supervisors, and managers of the Company and subsidiaries in compliance with ethical standards
"Equity Management Policy"	Directors and managers of the Company and shareholders who hold more than 10% of the Company's shares	Ensure that all shareholding reports follow legal requirements and avoid insider trading
"Employee Work Regulations"	Employees of the Company and subsidiaries	Ensure that employees comply with financial regulations and ethical codes, and ensure operational security by responding to changes in the financial environment and maintaining workplace discipline
"Supplier Sustainable Development Guidelines"	Suppliers of the Company and subsidiaries	Fulfill corporate social responsibilities, promote the sustainable development of the environment, protect basic human rights, and encourage suppliers to adopt the same standards for fulfilling corporate social responsibilities
"Whistleblowing Policy"	Directors, Supervisors, managerial officers, and employees of the Company and subsidiaries	The whistleblowing system is established to promote sound operations. The Company designated a unit in the head office with independent authorities to process and investigate reported cases

2.2.1.2 Implementation of Ethical Corporate Management

SinoPac Holdings and its subsidiaries organizes regular internal awareness campaigns and communicates the importance of ethical corporate management and whistleblowing issues to all employees each year. The policies and regulations for ethical corporate management and whistleblowing system are included in the orientation training courses for new employees and the Statements of Compliance with the Ethical Corporate Management Policy is included as a document that must be signed by new employees when they report for duties. In 2023, employees who attended the training and signed the document (including new employees in 2023 and dispatched workers) totaled 11,141 people and the participation rate was 100%.

For suppliers, SinoPac Holdings requires suppliers to comply with the " Supplier Sustainable Development Guidelines" and encourages suppliers to fulfill corporate social responsibility together. It also requires SinoPac Holdings and subsidiaries to evaluate the legality and ethical corporate management policy of distributors, suppliers, and customers and determine whether there are records of unethical conducts to ensure that the party operates business in a fair and transparent manner before making the decision to work with them. When engaging in commercial activities, the Company shall explain its ethical management regulations to the counterparty, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name. For more information on SinoPac Holdings' whistleblower reporting mechanisms and whistleblowing channels, please refer to the official website and Policies and Regulations in Download.

Proportion of Communication on Anti-Corruption Policies and Procedures

			2023	
			Number of personnel communicated	Percentage
Members of the Board of Directors (Note 1)			32	100%
Employees (Note 2)	Management	Taiwan	1,791	100%
		Overseas	82	100%
	Non-management	Taiwan	8,862	100%
		Overseas	406	100%
Suppliers (number of companies) (Note 3)			447	100%

Note 1: Members of the Board of Directors include those of SinoPac Holdings, Bank SinoPac, SinoPac Securities, SinoPac Leasing, SinoPac SITC, and SinoPac Venture Capital. The Legal & Compliance Division of SinoPac Holdings provides regulations such as the SinoPac "Guidelines for Ethical Corporate Management" and "the Procedures for Ethical Management and Guidelines for Conduct" to the Directors and Supervisors of SinoPac Holdings and its subsidiaries for reference and compliance. It also requires the Directors and Supervisors of SinoPac Holdings and its subsidiaries are also required to submit the compliance statements for the Ethical Corporate Management Policy each year.

Note 2: Employees include those of SinoPac Holdings, Bank SinoPac, SinoPac Securities, SinoPac Leasing, SinoPac SITC, and SinoPac Venture Capital. The policies and regulations for ethical corporate management and whistleblowing system are included in the on-the-job and pre-job training for current employees, dispatched employees, and new employee each year. In 2023, 11,141 employees participated in the communication on anti-corruption policies and procedures (excluding those who have not returned to work due to maternity leave or sick leave.).

Note 3: The Company established the "Supplier Sustainable Development Guidelines" and requested 447 suppliers to sign the " Supplier Sustainability Commitment", which 100% of new suppliers have signed. The Company organized 5 internal and external training sessions in 2023.

Due Diligence on Implementation of Ethical Corporate Management

SinoPac Holdings conducts due diligence on risks related to integrity management through regular Risk Management, Compliance self-evaluation, Review of Regulations, and Auditing. The scope of due diligence covers 212 operating locations of SinoPac Holdings and its subsidiaries, with a coverage ratio of 100%.

Due Diligence Procedures	Objectives	Implementation and Results in 2023
Risk Identification	From the perspective of integrated risk management, the Company identifies and evaluates relevant risk factors affecting the value of the Company, and at the same time, assigns relevant subsidiaries or departments to coordinate and implement corresponding countermeasures in order to facilitate the management and control of such risks, including operational, reputational, legal, and compliance risks.	The Risk Management Division reports to the Board of Directors on a monthly basis the operational risks status of internal fraud, prohibited acts, mis-selling, inaccurate warranties, failure to comply with SOPs, sales discipline, and violation of the "Employee Service Guidelines" found by the subsidiaries or departments, as well as the subsequent handling of the situation (e.g., strengthening of counseling, and referral of the case to the Personnel Review Committee for consideration depending on the severity of the case) and report to the board of directors.
Compliance self-evaluation	The Company analyzes and evaluates business activities with higher risks of unethical conduct every six months to prevent such conduct in business activities or operations.	The Legal & Compliance Department of SinoPac Holdings has initiated and supervised each unit to implement 2 regulatory inspections and 2 self-assessments of compliance, and found no abnormality or need to amend the relevant internal operation regulations, and each unit also declared that there is no matter that should be improved.
Reviews of regulations	The Company verifies that the operating and management rules and procedures are updated in accordance with relevant regulations every six months to make sure all business activities comply with regulatory requirements.	SinoPac Holdings, Bank SinoPac, and SinoPac Securities have established prevention measures to ensure the ethical corporate management in the relevant internal regulations for employees to follow in business operations.
Auditing	Based on the results of the risk assessment of unethical acts, relevant audit plans are formulated, and improvement measures related to dishonesty, such as penalties imposed by competent authorities, major incidental events, opinions from external inspections, and opinions from internal audits, are included in the scope of the audit, so that compliance with the plan for preventing unethical acts can be verified.	In 2023, the Bank's subsidiaries conducted a review of the mis-selling of financial products to customers in the loan business, as well as the cases of abnormal fund transactions with customers or agents, and no abnormality was found.

Operation of the Whistleblowing Mechanism

In 2023, SinoPac and its subsidiaries received a total of 75 complaints (3 from SinoPac Holdings, 60 from Bank SinoPac, and 12 from SinoPac Securities), and analyzed whether to accept, transfer, and respond to them in accordance with the regulations, and reported the status of acceptance and investigation of the complaints in the 2 Integrity Management Committees convened in 2023. In September 2023, the Group amended the "Whistleblowing Policy ", mainly focusing on amending the procedures for receiving and handling reported cases, the categories of reported matters, the procedures for follow-up handling of investigation reports, and the regulations on avoidance of conflict of interest. SinoPac has also adjusted the English version of the regulations, updating the files on the official website of the Group. In October 2023 to November 2023, SinoPac organized the online education training for the "whistleblowing mechanism" for all Group staff members.

2.2.1.3 Legal Compliance

Promotion of the Culture of Legal Compliance at SinoPac Holdings

2017	2018	2019	2020	2021	2022	2023
Review and rebuild	**Enhance the functions of the legal compliance department**	**Strengthen internal communication**	**Optimize management tools**	**Expanded the compliance management platform**	**Enhanced the use of technology to increase compliance efficiency**	**Continue to deepen the application system to improve the efficiency of legal compliance; Strengthen the capacity of information security of legal compliance.**
• Expanded the "Corporate Governance Review and Improvement Project" • Established four major guidelines for corporate governance • Established the Ethical Corporate Management Committee and Sustainable Development Committee • Established the "Whistleblowing Policy " • Increased the weight of the subsidiaries' key performance indicators (KPIs) in audit, compliance, and risk management	• Promote the independent operations of the legal compliance department of SinoPac Holdings and subsidiaries • The Corporate Governance Task Force of the Sustainable Development Committee is responsible for implementing improvement action plans for corporate governance evaluations and it monitors international sustainable governance trends	• Implemented theme-based compliance inspections by compliance personnel to review the effectiveness of related management mechanisms and propose recommendations for further strengthening • Organized the joint seminar of employees in Mainland China, Hong Kong, and Taiwan responsible for audit, compliance, and risk management to enhance their professional knowledge and competencies and strengthen the horizontal communication mechanisms with the second and third lines of defense in internal controls	• Implemented the compliance risk rating management system and enhanced the supervision and management of subsidiaries with large and complex business operations • Applied technologies to create an efficient compliance system to reduce manpower and operating costs	• Established the "New Compliance Management Platform" and adopt systematic means to increase management and operational efficiency and assist subsidiaries (Bank SinoPac and SinoPac Securities) streamline compliance risk management procedures	• Continued to optimize the "the compliance intelligence platform" and completed the connection between the platform and the existing Compliance Management Platform • Promote the switching of compliance procedures to online operations to increase operation efficiency • Optimize systems related to Compliance management to reduce the risks of human errors	• Continued to optimize the "the compliance intelligence platform", "Compliance Management System", "Anti-Money Laundering Information Platform" and "Stakeholder Transaction Information Reporting Platform" • Strengthening Compliance and Information Security Training to enhance information security capabilities • Strengthening the Horizontal Connection between the Legal & Compliance Division and the Information Security Division

The Legal & Compliance Division and related units organized regular communication and training sessions including regular lectures by the Legal & Compliance Division on amendments of important regulations and invited external lecturers with practical experience to give courses. SinoPac Holdings organized a total of 136 training programs (including physical and online programs) for 103,225 participants in 2023. The subjects included personal data protection, the principle of treating customers fairly & consumer protection, anti-money laundering and counter terrorism financing, the Volcker Rule, Ethical corporate management, and whistleblowing mechanism in order to strengthen the compliance awareness of all employees.

2.2.2 Financial Crime Prevention - Anti-Money Laundering, Terrorism Financing Countering and Financing of Weapons Proliferation

In response to the ever-changing threats of financial crimes and the latest domestic and international risk trends in recent years, SinoPac Holdings not only continues to cooperate with the policies of the competent authorities and actively establishes public-private partnerships, but also promotes the use of financial technology and the establishment of a culture of anti-money laundering. In addition, SinoPac enhances the Group's awareness of financial crime risks, mitigates the related risks, implements the Group's financial care for its customers, and proactively realizes the financial consumer protection aspect of ESG in the context of social responsibility through the following financial crime prevention framework.

2.2.2.1 Financial Crime Prevention Framework

Management Framework	Policy	Management and Communication	Risk Assessment Mechanisms
SinoPac Holdings has set up the Legal & Compliance Division as a specialized unit for anti-money laundering and counter-terrorism, which is responsible for supervising and assisting in the planning and execution of the operations of the Subsidiaries. The Legal & Compliance Division also reports to the Board of Directors and the Audit Committee semi-annually on the implementation status of the subsidiaries. As for the Subsidiaries, Bank SinoPac has established the Anti-Money Laundering Committee which is chaired by the President. The Committee is responsible for the management and coordination of the operations of different departments in the Bank. Bank SinoPac also has established the Anti-Money Laundering Center to take charge of the planning and supervision of related AML/CFT systems of the Bank and supervise the branches in the implementation of AML operations. Dedicated AML/CFT supervisors or personnel have been assigned in other Subsidiaries including SinoPac Securities, SinoPac Futures, SinoPac Securities Investment Trust, and SinoPac Leasing to take charge of related AML/CFT affairs.	SinoPac Holdings has established the "Anti-Money Laundering and Counter Terrorism Financing Policy" ("AML/CFT Policy ") for compliance by SinoPac Holdings and all the Subsidiaries. In addition, SinoPac Holdings has established "the Guidelines for Information Sharing" and "the Procedure for Information Sharing" Through inter-group information sharing, SinoPac strengthens the horizontal communication of the Subsidiaries, implementing anti-money laundering, anti-terrorism measures, and anti-financing of weapons proliferation in the group.	SinoPac Holdings holds quarterly meetings of the legal compliance officers of SinoPac Holdings and its Subsidiaries, chaired by the chief compliance officer of the head office and attended by the chief legal compliance officer and the chief AML/CFT compliance officer of the Subsidiaries, to report on the important work of legal compliance, anti-money laundering, and fraud prevention, and to exchange views on practical matters. Through reviewing the monthly legal compliance reports submitted by the Subsidiaries, SinoPac supervises the progress of the implementation of various projects by the Subsidiaries and continues to collect, observe, and analyze the important data of the Subsidiaries for reference in the prevention of fraud and laundering. SinoPac also provides timely advice to the Subsidiaries for reference, conducting two-way communication. In addition, SinoPac keeps track of the improvement status of the Subsidiaries' internal and external audit deficiencies to ensure that corrections are made to avoid similar deficiencies from occurring again.	In order to effectively prevent money laundering, counter the financing of terrorism, and ensure the establishment of a Risk-based Approach (RBA) risk assessment mechanism for money laundering and financing terrorism, SinoPac and its Subsidiaries use the identification, evaluation, and management of money laundering and financing terrorism risks as the basis for analysis, regularly conducting comprehensive money laundering and terrorism risk assessments, as well as submitting Annual Enterprise-Wide Risk Assessment (EWRA) to the boards of directors of each of the Subsidiaries. Bank SinoPac followed the regulations of the competent authority and appointed an external accountant to provide an assurance report on the design and execution of the AML/CFT internal control system. The accountant's conclusion in the assurance report in March 2024 was " Effective, and appropriately presented in all material respects ". The items that required improvements in the report have been improved.

2.2.2.2 Financial Crime Prevention Risk Challenges and Response Actions

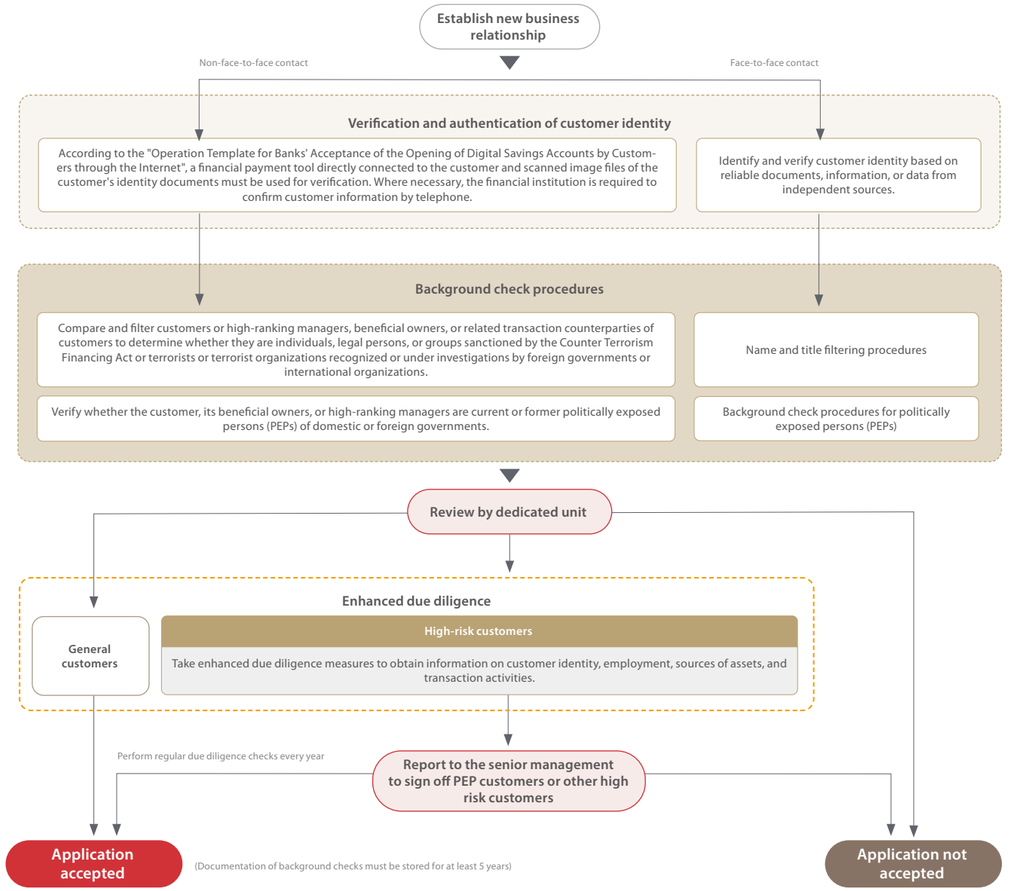
Technological advances in recent years have driven the digitization of the financial sector at an unexpected pace. This change has led to the need for the financial services industry to rapidly achieve a more transparent, secure, and digitized financial environment that emphasizes friendliness and caring. On the other hand, technological development has also changed the pattern of financial crime, with more technical means and new ways to disguise the pattern of crime. As a result, combating financial crime has become more challenging and important than ever. In order to prevent and implement the Group's anti-money laundering measures and to combat financial crimes such as the terrorism financing and financing of weapons proliferation, SinoPac has taken the following precautionary measures:

Precautionary Measures	Improvement Direction
Applying Technology to Combat Financial Crimes and Enhancing Joint Group Prevention	• SinoPac Holdings has built the "Financial Holdings Anti-Money Laundering Information Platform" since 2019, setting up relevant sharing procedures for sharing anti-money laundering and information about combating terrorist financing terrorism financing among its Subsidiaries. The Legal & Compliance division of SinoPac Holdings has regularly reported to the President of SinoPac Holdings on a semi-annual basis on the status of implementation and enforcement within the Group. • The Legal & Compliance division of SinoPac Holdings intends to make use of AI (Artificial Intelligence) and GAI (Generative Artificial Intelligence) technologies to analyze the information available in negative news and convert that information into a Group consistency list, which will be made available to the Subsidiaries as a means of strengthening customer due diligence and identifying customer risks. This provides the Subsidiaries with a powerful tool for enhancing customer due diligence and identifying customer risk profiles. In addition to reducing inter-subsidiary duplication and improving data quality, the tool reduces risk gaps and lowers compliance risk through joint group defense. • To mitigate the risks associated with emerging technology companies, the Subsidiaries collect registered business items via RPA (Robotic Process Automation), and continuously update these companies into the high-risk customer list.
Training and Culture Shaping	• To establish the compliance culture for Anti-Money Laundering and Countering Terrorism Financing, the chief AML/CFT compliance officer and AML/CFT personnel, as well as the supervisors of related business departments of SinoPac Holdings and its Subsidiaries, must attend at least 12 hours of internal and external AML training each year. SinoPac Holdings also organizes regular AML training for all employees of SinoPac Holdings and its Subsidiaries. Participants include Directors, senior executives, chief AML/CFT compliance officers, and general staff. Training is implemented in the form of computer-based training or physical training. Training topics include anti-money laundering and countering terrorism financing development trends, anti-money laundering practical experiences sharing, emerging technological money laundering patterns, fraud prevention and fraud recognition and terrorist financing case studies, etc.

2.2.2.3 Customer Due Diligence

To implement anti-money laundering and counter terrorism financing tasks, Bank SinoPac has established a detailed Customer Due Diligence (CDD) process as shown in the diagram below, which also included non-face-to-face CDD procedures for customers opening online or digital accounts, as well as background checks and identity verification procedures for politically exposed persons (PEPs). In addition to establishing policies and procedures for account and transaction monitoring, Bank SinoPac also categorizes, screens, and monitors customers according to a risk-based approach. Furthermore, Bank SinoPac continues to optimize its information system and use financial technology to identify transactions suspected of being financial crimes, determining the reasonableness of the transactions in the identified alert cases. If the transaction is suspected of being money laundering or terrorism financing, it will be reported to the Ministry of Justice Investigation Bureau immediately after being approved by the dedicated supervisor in charge of anti-money laundering.

Bank SinoPac Customer Due Diligence (CDD) Procedures



2.2.3 Tax Policy

SinoPac Holdings established the "Tax Governance Policy " to achieve the goal of corporate sustainability and stable growth, and to meet the international tax governance requirements. SinoPac Holdings mainly operates in Taiwan. In 2023 and 2022, the percentage of revenue from Taiwan were respectively 82.5% and 84.4%. Except for Taiwan, no more than 10% of the revenue came from other countries. SinoPac Holdings complies with tax regulations and pays all taxes within the statutory tax-paying period. The income tax paid in 2023 and 2022 were NT$3,217,904 thousand and NT$3,633,322 thousand in which the percentage of income tax paid in accordance with Taiwan tax laws were 74% and 81%, respectively. For more information on the ratio of net profits and the tax in different countries, please see Appendix 1: Other ESG Data for details.

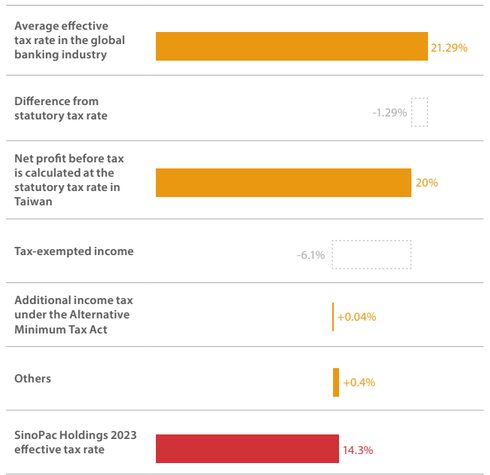
Effective tax rate and related regulations on income tax in the most recent two years

Unit: NT$ thousand

SinoPac Holdings (Consolidated)	2023			2022		Reasons for the difference with the average effective tax rate in the banking industry
	Amount	Effective tax rate	Average effective tax rate in the banking industry (Note 3)	Amount	Effective tax rate	
Profit before Income tax	23,070,894	—	—	19,404,715	—	—
Income tax expense	3,306,504	14.3% (Note 1)	21.29%	3,443,715	17.7% (Note 1)	The difference is attributed to the legal tax rate of 20% in Taiwan, the main area of profitability. It is lower than the average rate of the global banking industry. For more information on the tax items, please refer to the figure below for the difference in the average effective tax rate in the banking industry and the table below for the reported taxes and effective tax rate items.
Income tax paid	3,217,904	13.9% (Note 2)	19.94%	3,633,322	18.7% (Note 2)	

Note 1: Income tax expense divided by profit before tax. Please refer to the table below for the reported taxes and effective tax rate items.
Note 2: Income tax paid divided by profit before tax.
Note 3: According to the 2024 DJSI Handbook, the average effective tax rate is 21.29%, and the average cash tax rate is 19.94% in the banking industry.

Difference with the average effective tax rate in the banking industry in 2023



Reported taxes and effective tax rate items

Income tax adjustments	2023		2022	
	Income tax amount	Tax rate	Income tax amount	Tax rate
Consolidated profit before tax (Note 1)	4,614,179	20%	3,880,943	20%
Tax-exempted income (Note 2)	(1,413,818)	(6.1%)	(891,871)	(4.6%)
Additional income tax under the Alternative Minimum Tax Act	8,403	0.04%	6,379	0.03%
Income tax on unappropriated earnings	-	-	268,225	1.4%
Others	97,740	0.4%	180,039	0.9%
Total income tax expense and actual effective tax rate	3,306,504	14.3%	3,443,715	17.7%

Note 1: Calculated based on the 20% legal tax rate in accordance with the consolidated profit before tax.
Note 2: Income from OBU businesses and income from securities transactions are calculated based on the 20% legal tax rate.

2.2.4 Material Violations and Improvement Measures

The senior executives and employees of SinoPac Holdings and its subsidiaries are fully committed to implementing ethical corporate management in daily actions and operations. However, there are still items that require continuous improvement, which will be implemented. In 2023, SinoPac Holdings, Bank SinoPac and SinoPac Securities violated internal and external regulations in 7 cases, and the total amount of fines imposed was NT$13.24 million. Related personnel received penalties including termination of employment, demerits, reprimands, and warnings. Please refer to P96 to 97 of the Annual Report for the aforementioned material violations and improvement measures. There were no cases involving corruption or bribery, customer privacy data, antitrust/anti-competitive practices, money laundering, insider trading, environmental protection, health and safety, or whistleblower mechanisms in 2023.

Material and Other Violations and Improvement Measures in 2023

Incident category (Note 1)	Number of cases	Description of the incident	Impact	Improvements
Violations of operating procedures or regulations	5	1. Bank SinoPac's accounting for structured product transactions with offshore clients was incorrectly handled. The existing reconciliation and verification system is not yet perfect, resulting in a delay in the identification of accounting processing errors. 2. Bank SinoPac has the following deficiencies in handling insurance agent business: (1) Failure to implement KYC in handling the suitability of products for policyholders who apply for investment insurance products. (2) Failure to understand the premium source. (3) The salesperson received both loan remuneration and insurance solicitation commission at the same time. 3. Staffs in the branches of SinoPac Securities used Line to provide clients with evaluations on the volatility of specific US stocks. However, they have been implicated in inappropriate solicitation, exaggerated and deceptive advertising, and have accepted full authority commissions from clients for securities transactions. They have also shared in trading profits and losses, extended loans to clients, and failed to promptly assess changes in clients' financial capacities and investment abilities. 4. SinoPac Securities has the following six deficiencies: (1) The company and employees have participated in leveraged reverse repurchase (RS) transactions, which resulted in the accumulation of large trading positions, creating corporate risks. (2) The acceptance of sub-brokerage clients purchasing foreign bonds involves a pass-through transaction. (3) Failure to provide properly soliciting supporting documentation for the qualification of professional investor or high-net-worth client. (4) The evaluation process for wealth management personnel was conducted without considering the risk attributes of the entrusted investment financial products and assessment weight reduction. (5) The failure to process client telephone orders for stocks, including details such as the quantity and price, resulted in a substantial error in booking process. (6) The data retained for customer inquiries and purchase orders was the same as that for employees. It was unclear whether employees have used other individuals' names to request distributive sale through book building. 5. SinoPac Securities failed to supervise its holding company, SinoPac Venture Capital, in the management of its investment cases, which were in violation of the Securities Act.	The penalties totaled NT$3.24 million	1. Bank SinoPac's deficiency of trading structured products with offshore clients has been improved. (1) Revised operating rules, procedures, and new product development checklist. (2) Strengthened the anti-defective mechanism, the checking mechanism and staff education and training. 2. Improvement in the deficiency of insurance agent at Bank SinoPac: (1) Deleted the investment risk attribute consistency checking process and established a horizontal communication mechanism for adjusting risk levels in accordance with the amended law. (2) Completed system modifications to automatically generate call sheets. (3) Completed the revision of the business cooperation incentive program, business commission agreement and referral profit sharing statement, and strengthened the verification of whether insurance sales are made to the same customer. 3. Improvement in the deficiency of business staff at SinoPac Securities: (1) Reporting to the Personnel Review Committee (PRC) for disciplinary action in case of operational deficiencies (2) Reaffirming the prohibitions and educating the staff with the defect case. (3) The missing items are listed as internal audit items and made into an audit report. (4) Caring and interviewing customers. 4. Improvement of 6 deficiencies in SinoPac Securities: (1) RS Transaction: Revise internal regulations to strengthen the transaction checking mechanism and control measures, creating a table of outstanding RS to check the clients' commitment limit. (2) Sub-brokerage Transactions: Reported to the Board of Directors for restructuring. (3) Enhancement of professional investor or high-asset client qualifications. (4) Added new financial indicators for entrusted financial instrument risk. (5) Modified the system and strengthened the control of client orders. (6) Completed the revision of the employee database comparison system. 5. SinoPac Venture Capital has strengthened the control of investment appraisal adjustment and unlisted stock appraisal procedures.
Discrimination or harassment	7	In 2023, 4 violations of anti-discrimination regulations were confirmed after investigations and 3 sexual harassment cases was confirmed after investigations.	The cases were internal complaints and did not cause any penalties or fines by the competent authority	1. The Company immediately activated effective correction and remedy measures after receiving the complaint and assigned dedicated departments to conduct investigations. The cases were submitted to the compliant committee for resolution and in the case of violation of the Law, reported to the Human Resources Arbitration Committee. 2. Following the case, SinoPac Holdings strengthened education and training for supervisors and employees on anti-discrimination and sexual harassment prevention, reiterating to all employees that if relevant circumstances reoccur, they could file grievance or appeal through multiple channels, creating a safe and friendly workplace to employees.
Conflicts of interest	2	1. SinoPac Financial Holdings has the following deficiencies in corporate governance: (1) Failure to establish and supervise a mechanism for communication between subsidiaries and substantial shareholders. (2) Failure to establish and supervise the control mechanism for subsidiaries to provide company information to the substantial shareholders. (3) Failure to establish an assisted management mechanism for personnel involved in litigation involving a conflict of interest with the Company and subsidiaries. 2. Senior executives of Bank SinoPac have provided information, reported, or requested the substantial shareholder to assist in litigation matters, resulting in conflict of interest for SinoPac.	The penalties totaled NT$10 million	1. Improvement of corporate governance deficiencies of SinoPac Holdings: Amendment of the "Operation Guidelines for Handling Shareholder Suggestions, Queries, and Disputes ", formulation of the "The Guidelines for Managing Employee Access to Litigation Data", and addition of the "Regulations on Assistance Management for Employees Involved in Litigation". 2. Improvement of corporate governance deficiencies at Bank SinoPac: Implemented the SinoPac Holdings "Operation Guidelines for Handling Shareholder Suggestions, Queries, and Disputes " , formulated the "The Guidelines for Managing Employee Access to Litigation Data" and revised internal audit drafts and self-audit drafts of each unit, which were included in the key points of the annual audits. The Chairman, the President, and the Chief Auditor have all signed an undertaking.

Note 1: The material violations that must be disclosed herein includes not only the penalties imposed by the competent authority but also the violations of SinoPac Holdings' internal code of conduct and Anti-corruption Policy. The definitions of the categories of violations shall be based on the required items of the Corporate Ethics of the 2024 DJSI Handbook.

2.3 Risk Management

2.3.1 Risk Management Framework

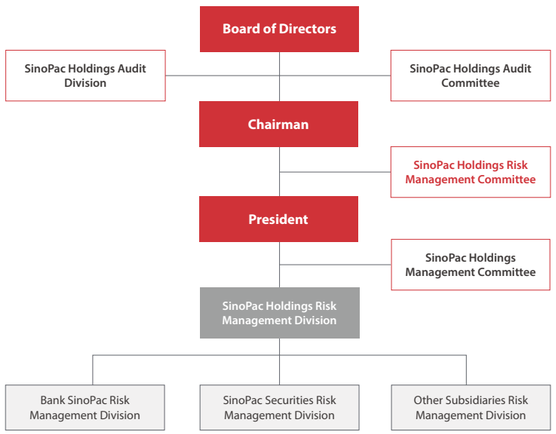
SinoPac Holdings' Risk Management Policy was approved by the Board of Directors in 2009 and the latest amendment was approved by the Board of Directors on December 20, 2019. The Policy includes the development of a risk management environment and culture for each subsidiary as well as integrated management regulations and limits for various risks, the authorization and operating guidelines for each business unit, and the identification, measurement, assessment, and management of risks. The risk management unit or personnel of SinoPac Holdings and its subsidiaries are required to regularly report risk management status and improvement recommendations to the Board of Directors. In the event of material risk exposure, suitable actions shall be taken immediately and reported to the Board of Directors. SinoPac Holdings also conducted risk assessments and created risk response measures for credit, market, operation, asset and liability, reputation, legal, compliance, strategy risks, and other risks associated with business operations including emerging risks and climate change risks. They are used to identify the related risks at the group level and formulate response measures to be reported to suitable management levels.

SinoPac Holdings Risk Management Structure and Duties

Board of Directors	The Board of Directors is the highest supervisory unit. It is responsible for the approval of SinoPac Holdings' risk management policies, risk appetite, or limits, and granting authorization to the management for daily risk management.
Audit Committee	The Audit Committee is composed of 3 independent directors. They assist in supervising the effective implementation of the internal control system of the Company, compliance with laws and regulations, controlling existing or potential risks, and assisting the Board of Directors in making decisions with its professional division of labor and independence. Its duties include receiving regular reports from the Risk Management Division on potential risks and their management, supervising the implementation of risk management by the Company and subsidiaries, and deliberating the Company's risk management policies.
Risk Management Committee	The Chairman serves as the convener of the Risk Management Committee to take charge of deliberating on the risk management policies, organization structure, systems and overall limits, reviewing the overall risk exposure, supervising the risk management activities of SinoPac Holdings and its subsidiaries, coordinating efforts to manage material risk incidents, and reviewing other issues related to risk management.
Audit Division	The Audit Division, under the Board of Directors, is responsible for independent auditing and is the third line of defense in the risk management hierarchy. The Chief Auditor is the highest-ranking person with responsibility for the planning and implementation of various types of audits.
Risk Management Division	The head of Risk Management Division is the highest-ranking officer of risk management units and oversees the formulation of the overall risk management policy and standards of the Company and subsidiaries and the establishment and plans of the risk management system. It reports to the Board of Directors on a monthly basis and to the Risk Management Committee on a quarterly basis on the risk appetite and risk tolerance level of each risk type and indicator, and regularly reports the implementation and recommendations for improvement to the Risk Management Committee and the Board of Directors. The overall status of the Company's management of existing or potential risks or climate change risks (including physical risks and transition risk indicators) and the progress of related projects are also reported to the Audit Committee. The policies, guidelines, and systems are approved by the Board of Directors and implemented by the Risk Management Division, which conducts regular evaluations on the performance of all subsidiaries in terms of risk management.

SinoPac Holdings Risk Management Mechanisms

Risk Management Organizational Structure of SinoPac Holdings and Subsidiaries



SinoPac Holdings Risk Management Procedures

Risk identification

Each business unit shall identify risks through self-assessments, review of the audit report, and key risk indicators. The identified risks include financial and non-financial risks in terms of credit, market, liquidity, operations, assets and liabilities, information security, and privacy.

Risk scanning

- The risk management unit shall compile the risk identification results, assess the impact and probability of occurrence of the incident, and measure the overall risk exposure.
- The risk management unit shall search for negative news events and issue "Credit Warning". The subsidiaries shall report related risk exposure and follow-up response measures, which shall be compiled and reported to the Risk Management Committee of SinoPac Holdings.
- In response to information security and other non-financial risks, the Company shall implement disaster recovery, exercises, detection, and preventive measures in accordance with corresponding regulations.
- Identify and assess the risks of new businesses and new procedures and systems before they are implemented or become effective.
- In the event of a change in the internal and external environment, the unit shall immediately restart the operational risk identification and subsequent tasks.

Risk monitoring

- Daily: For market risks, the risk management unit shall monitor and report the profit and loss of SinoPac Holdings and its subsidiaries as well as their Value at risk (VaR) to senior executives to rigorously implement risk management response measures for early warning, limit exceeded, or stop loss.
- Monthly/quarterly: Business units shall report to the Board of Directors on a monthly basis and to the Risk Management Committee on a quarterly basis on the risk appetite and risk tolerance level of each risk type and indicator, and regularly reports the implementation and recommendations for improvement to the Risk Management Committee and the Board of Directors. The overall status of the Company's management of existing or potential risks or climate change risks (including physical risks and transition risk indicators) and the progress of related projects are also reported to the Audit Committee. In the event of material risk exposure, suitable actions shall be taken immediately and reported to the Board of Directors.
- At least once a year: Review, identify and evaluate the risk appetite and risk tolerance level of each risk category (including capital adequacy, large credit cases and concentration risks, market risks, and liquidity risks) in accordance with the business strategies defined/adjusted by the Company and budgetary targets. Obtain approval in the corresponding approval level and monitor and manage them based on the frequency described above.

Audit

The audit unit shall conduct internal audits of the risk management procedures and classify risks into six categories including financial conditions, legal compliance, risk management, internal management, information management, and shareholding management. It shall divide audit plans into "designated special audit items" and "key audit items" based on the risk assessment results of inherent risks and effectiveness of control measures.

Risk reporting

- The risk management unit is required to regularly report risk management status and the results of the sensitivity analysis and stress test to the Board of Directors.
- In the event of the occurrence or imminent occurrence of a significant risk incident, the subsidiary shall immediately report it to the risk management unit, President, and Chairman.

SinoPac Holdings simulates predicted scenarios from time to time to identify, evaluate, and review the potential short, medium, and long-term risks. In recent years, the Company identified risks for future economic outlook in response to the pandemic, US-China trade relations, technology and finance wars, Russo-Ukrainian War, and crises in the Taiwan Strait. The 3 major risks and related mitigation measures identified by SinoPac Holdings are as follows. The future risk factors estimated in 2023 (e.g., bonds, securities, credit spread, foreign exchange market, and borrower default) are used to simulate the impact of losses on capital adequacy. From the most minor to the most extreme conditions, SinoPac Holdings' capital adequacy ratio remained between 130.27% and 120.53%, which are still higher than statutory requirements.

	Risk Incident	Risk Type	Risk Exposure	Process or Framework for Determining Risk Appetite	Management and Mitigation Measures for the Incident
1	**Anti-globalization regional fragmentation / shortage of energy and commodities / local production of strategic materials / industry supply imbalance and broken supply chain**	• Market risks • Credit risks - concentration • Credit risks - large credit exposure	The value at risk limit (VaR limit), concentrations, and large credit exposure indicators for industry types and high-risk industries were all below medium risk.	SinoPac Holdings has set concentration and large credit exposure management mechanism so that businesses with the same counterparty or group, country, industry, and rating are capped to diversify risk. The Company also regularly review the caps to ensure their appropriateness. The Company reviews and adjusts the quotas from time to time based on the economic outlook of the industry with higher risks. The Company monitors and reports the risk status to the Board of Directors on a monthly basis, and reviews its business operations and issues alerts when the risk exposure reaches the maximum value that triggers the utilization rate warning. Market risk quotas are set based on the Bank's business strategy, financial growth targets, risks and returns, and other factors to allocate market risk capital. SinoPac Holdings also adjusts the ratios according to the stress scenario to calculate the market risk limits of the Group as a whole and its subsidiaries under extreme scenarios. The quotas are monitored and reported to management on a daily basis, and an 80% alert is set for early warning and adjustment of relevant investment and trading positions to facilitate response to unfavorable market impacts.	• The Company monitors the risk exposure of high-risk industries and adjusts the scope of monitoring and quotas for individual industries in a timely manner in response to the prevailing economic conditions. • Evaluate the operation of customers who are listed for early warning, relief, anomaly, and collection of overdue payments, and report the response measures to the executive meeting of SinoPac Holdings.
2	**Global inflation and interest hikes / financial difficulties and closure of banks and enterprises / credit crunch and recession / fluctuations in financial and real estate markets**	• Market risks • Credit risks - concentration • Credit risks - large credit exposure	The value at risk limit (VaR limit), concentrations, and large credit exposure indicators for individual ratings, large credit exposure, and real estate risk exposure were all below medium risk.		• Daily estimation and monitoring of the Value at Risk limit (VaR limit) for the next month. • Evaluate the operation of customers who are listed for early warning, relief, anomaly, and collection of overdue payments, and report the response measures to the executive meeting of SinoPac Holdings. • Implement risk exposure assessments for the real estate market in higher risk areas from time to time, distinguish cases based on risk levels, monitor high-risk cases, and report to the meetings of executives and the Board of Directors.
3	**Global arms race sparked by Russo-Ukrainian War / China's structural military siege of Taiwan / increased geopolitical risks / capital flight and debt crisis**	• Market risks • Credit risks - concentration • Credit risks - large credit exposure • Operational risks	The value at risk limit (VaR limit), concentrations, and large credit exposure indicators for risk exposure in China and other countries were all below medium risk.		• Implement restrictive controls on emerging countries with political turmoil and financial instability and require the approval of the President of the company for business operations in these countries. • Evaluate the operation of customers who are listed for early warning, relief, anomaly, and collection of overdue payments, and report the response measures to the executive meeting of SinoPac Holdings. • Monitor the overdraft and coverage of City commercial banks and Rural commercial banks in China and the transactions and exposures of all subsidiaries. • Regularly assess risk exposure in China, distinguish cases based on risk levels, monitor high-risk cases, and report to the meetings of executives and the Board of Directors. • Strengthen information security management, disaster recovery, exercises, detection, and protection measures in accordance with the information security management policy and related guidelines of SinoPac Holdings.

In addition to the aforementioned risk type and management procedures, SinoPac Holdings and its subsidiaries shall establish three lines of defense in the internal control system, including self-inspection system, legal compliance system and risk management mechanisms, and internal audit system in accordance with their business scope, business activities, and regulations of authorities to ensure their continuous and effective operations of the internal control system. In addition, the Company has set three lines of defense for the top three material risks, including risk management, corporate governance, and information security management, and integrated them into the Company's overall risk/compliance management framework. Please refer to 2.3.5 Climate Change Risk Management for detailed information on the three lines of defense for climate change risks; please refer to 2.5.1 Privacy and Security Governance Framework for information on privacy rights.

SinoPac Holdings' Three Lines of Defense in Internal Control

	First line of defense	Second line of defense	Third line of defense
Responsible unit	Operation and business management units	Risk management and compliance units and business management units	Audit unit
Mechanisms	Self-inspection	Compliance and risk management mechanisms	Internal audit system
Risk management	1. Implement identification and management for routine operations within the scope of their functions and businesses. 2. Design and execute effective internal control procedures based on the characteristics of the risks to cover all related business activities.	1. Assist and oversee risk identification and management by the first line of defense in accordance with its duties. 2. Establish overall risk management policies for main risks, oversee overall risk capacity and current state of risks, and report the risk management status to the Board of Directors or senior executives.	1. SinoPac Holdings has established a chief audit system and established Audit Division under the Board of Directors in accordance with the "Implementation Rules of the Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries." The Audit Division reports the audit results to the Board of Directors and Audit Committee at least once every six months. 2. Assist the Board of Directors and senior executives in verifying and evaluating the effectiveness of risk management and internal controls, including evaluations on the effectiveness of risk controls in the first and second lines of defense. 3. Provide timely recommendations for improvement, ensure the continuous and effective implementation of the internal control system, and provide a basis for the review and amendment of the internal control system.
Corporate governance	1. In order to establish a sound corporate organization and culture, relevant units have established an effective corporate governance system through compliance with laws and regulations, improvement of internal management, protection of shareholders' rights and interests, enhancement of the functions of the Board of Directors, empowerment of the Audit Committee, and respect for the rights and interests of stakeholders. 2. The business management unit shall incorporate good faith and ethical values into the Company's business strategy and review preventive programs of unethical acts and checks and balances mechanisms for ethical corporate management in accordance with laws. 3. The business management unit regularly analyzes and assesses the risks of unethical conduct within the business scope, adopts corresponding programs to prevent unethical conduct, and enact standard operating procedures and code of conduct in each program with respect to the Company's operations and business. 4. The business management unit sets up check-and-balance mechanisms for mutual supervision of the business activities within the business scope with higher probability of risks of unethical conduct.	1. The Operations Management Division is responsible for the business strategy of SinoPac Holdings. The Risk Management Division is responsible for the planning, supervision, and management of the control mechanisms in for strengthening business management. It also implements communication with the first line of defense and cooperation with the third line of defense to assist and supervise the first line of defense in identifying and managing risks. 2. To prevent poor corporate governance and material negligence or the occurrence of dishonesty, corruption, scam, or fraud that may affect the overall financial system or economic order, the Company established a complaint system in which the Legal & Compliance Division processes complaints and the Audit Division serves as the investigation unit for complaints. It may, depending on the nature of the case, invite other units or personnel to participate in investigation	1. Included in the key points of the 2023 Audit Plan for implementation. 2. The internal audit units of the Company and subsidiaries shall report the results of audits for the compliance of the prevention of unethical conduct to the senior management and the unit responsible for ethical corporate management (i.e., the Ethical Corporate Management Committee under the jurisdiction of the Board of Directors) an audit report shall be prepared and submitted to the Board of Directors.
Information Security Management	The units and the Information Technology Division are responsible for performing information security operations to ensure the confidentiality, integrity, and availability of information processed by the Company and subsidiaries and protect the rights and interests of customers.	The Information Security Division is responsible for the monitoring and management of information security risks. It reports on the status of information security management in the monthly information security communication meeting, and reports on the overall implementation status to the Board of Directors and the Information Security Committee every six months.	Included in the key points of the 2023 Audit Plan for implementation.

Key points of the 2023 audit plan:

- Financial conditions (expenses)
- Legal compliance (compliance system, anti-money laundering, counter terrorism financing and anti-proliferation, corporate governance)
- Risk management (interested party transactions, group risk exposure, cross-marketing, personal data protection)
- Internal management (investee company management)
- Information management (information system design, cybersecurity and information security maintenance, system anomaly control)
- Equity management (majority shareholder equity management)

2.3.2 Risk Culture and Management

To effectively improve the quality of risk management, the Risk Management Division of SinoPac Holdings evaluates the implementation status of risk management by subsidiaries each year in the terms of "Risk Management Mechanisms", "Risk Management Awareness Education and Training", and "Risk Incident Reporting". The subsidiaries prepare the "Annual Enhanced Focus" plan each year and report the implementation of key work items and achievement rates each quarter. The results of assessments are used as the basis for determining the annual performance of subsidiaries. Performance evaluations for risk management personnel of SinoPac Holdings and its subsidiaries are based on the Employee Evaluation Guidelines, and a rating is assigned to each employee based on his/her annual work performance, goal attainment, and attendance.

SinoPac Holdings' Actions for Shaping Risk Culture

Inclusion of risk management criteria into employee performance evaluation	• The Risk Management Division established evaluation indicators for subsidiaries in accordance with the "Subsidiary Performance Evaluation Regulations". The evaluation indicators include "Risk Management Mechanisms", "Risk Management Awareness Education and Training", and "Enhanced Measures for Risk Incidents".
Establish mechanisms for proactive identification and reporting	• The Risk Management Division encourages employees to identify potential risks in daily operations, propose response measures and solutions, and actively discuss feasible measures with the unit supervisor. • According to the "Employee Rewards and Punishment Regulation", employees that provide specific recommendations or achieve results are eligible for feedback incentives.
Encourage involvement of employees in structured feedback process	• In terms of information security risks, employees also actively collected intelligence on online attacks from police authorities, TWNIC, F-ISAC, and RSA, and discussed feasible response strategies to continue to improve risk management mechanisms.
Incorporating risk assessment in product development process	• SinoPac Holdings requires all subsidiaries to establish management guidelines for new products or new businesses. Subsidiaries must also implement related risk assessments, risk management procedures, control mechanisms, and accounting and operation procedures, and obtain the approval of related units or the Board of Directors. • SinoPac Holdings evaluates security management and control measures through architecture review meetings to ensure that the development process of new systems meets requirements of the secure software development life cycle to reduce security risks.
Training programs and awareness campaigns	• SinoPac Holdings organizes regular joint seminars on audit, compliance, and risk management to discuss related issues and establish a risk management culture for the entire group. • The supervisors and personnel of SinoPac Holdings and its subsidiaries and executives of related business units must attend AML, compliance, and ethical corporate management training each year.

To effectively increase the quality of risk management and ensure that all employees of SinoPac Holdings and subsidiaries fulfill requirements in the Risk Management Policy of SinoPac Holdings, the Risk Management Division evaluates the implementation of risk management by subsidiaries every year and connects the internal indicators with performance evaluation. Refer to the official website for SinoPac Holdings' actions for shaping a risk management culture.

SinoPac Holdings Internal Control Indicators and Weight Linked with Performance Evaluation

Subjects	Weight
Senior executives	30 %
Line managers of business units	30 %

Risk management evaluation indicators

The internal control indicators include auditing, legal compliance, and risk management, each of the indicators contributes to 10% of the weight. The risk management indicators include:

- Completion of the establishment of risk management mechanisms
- Risk management training implementation results
- Enhancement measures for risk incidents
- Adequacy of the risk management policy and structure
- Discrepancies in control and management and penalties
- Timeliness and accuracy of reports filed by subsidiaries to the parent company
- Performance of key risk management projects in this year including the Integrated Risk Information System (IRIS), emerging risk identification project, and TCFD project

In addition to compliance with policies and regulations, training is also an important part of improving risk management performance in the Company. All Directors of SinoPac Holdings received a total of 108 hours of advanced training in 2023. Risk management personnel and general employees at SinoPac Holdings and subsidiaries participated in 204 risk-related courses with a total of 14,116 hours in 2023. Contents of the courses include on-the-job training for derivatives, credit risk, market risk, operational risk, Money Laundering Control Act, information security risks, and credit risk practices and case studies. The Company provided all employees the means of obtaining risk management related knowledge and cultivating a sound risk management culture.

Risk-Related Training in 2023

Recipients	Number of people who completed training	Total number of hours	Number of training sessions	Main training content/course
Board members	7	108	21	The courses included Sustainable Governance for the Financial Industry 2030, Net-Zero Emission Trends and Response Strategies for the Paper Industry: Carbon Rights Management and Support for Net-Zero, Cathay Sustainable Finance and Climate Change Summit, International AML Trends and FinTech Applications, Requirements for the Board of Directors in Anti-Money Laundering and Counter-Terrorism Legislation, Metaverse Information Security Issues (Including ChatGPT-related Issues), Critical Cybersecurity Standards and Compliance, Information Security Governance - Challenges and Future Trends in Information Security for the Insurance Industry, Digital Transformation and New Future: New Ideas for Risk Management, Generative AI Acceleration of Digital Transformation and Smart Manufacturing, seminar for overseas regional managers, legal compliance personnel and internal audit and control personnel, Business Judgment and Fiduciary Duty of Independent Directors, and Legal Liability and Case Analysis of "Protection of Trade Secrets".
Risk management personnel	117	5,805	166	On-the-job training for derivatives, operational risks, information security, anti-money laundering, and compliance.
General employees	6,379	8,311	38	Operational risks, credit risk management practices and case studies, derivatives and risk management, prevention of asset misappropriation risks by banks.
Total	**6,503**	**14,224**	**225**	

2.3.3 Credit, Market, Operation, and Liquidity Risk Management

SinoPac Holdings and its subsidiaries have established management and assessment mechanisms for four major types of risks including credit risks, market risks, operational risks, and liquidity risks to effectively identify, assess, monitor, and manage all types of risks. The Company also compiles a summary of the risk exposure of subsidiaries for management and report results to the Board of Directors. In addition to rigorous compliance with credit risk management regulations, SinoPac Holdings is also aware of the potential impact of ESG trends on the finance industry and loan businesses. SinoPac Holdings thus actively responds to international standards, incorporates ESG indicators into the credit analysis and pre-investment analysis and decision making and implements more comprehensive management of hidden risks in loan and investment businesses.

Risk Type	Credit risks	Market risks	Operational risks	Liquidity risks
Strategy and process	1. Establish a credit risk management policy that includes the organizational structure, management standards, risk control mechanisms, and risk reporting system. 2. Establish risk limit management mechanisms for each industry to manage and monitor concentration risks. 3. SinoPac Holdings included climate risk factors in the concentration risk limit management standards starting from 2021 and established national risk classification indicators in accordance with the "Global Climate Risk Index". 4. Bank SinoPac incorporated ESG risks and performance as reference for credit reviews and decision-making procedures. Please refer to 3.1.3 Responsible Lending for detailed information.	1. Use limits based on Value at Risk to control and manage overall market risks. 2. Evaluate trading book positions daily and execute stop-loss mechanisms. 3. Improve the evaluation capabilities and management mechanisms for derivatives and structured products. 4. Incorporate ESG factors into the investment risk assessment procedures before making investments. Please refer to 3.1.2 Responsible Investment for detailed information.	Strengthen the operational risk management culture and internal control environment and establish standard operating procedures and appropriate control procedures to effectively reduce the occurrence of operational risks	1. Ensure diversified and stable funding sources, maintain appropriate liquidity, and ensure the capability for fulfilling debt obligations. 2. Control and management indicators include the current ratio, asset liability mismatch, sources and uses of fund, credit limits, and fundraising instruments.
Risk management and measurement	The Risk Management Division of SinoPac Holdings regularly compiles information on the quality of assets of subsidiaries, allowance for doubtful accounts and losses, loss reserve provisions, risk exposure of individual products, industries, amounts, overseas regions and countries, and top ten groups and establishes concentration risk limits for the same individual, same related party, same affiliate, same industry, and same overseas region or country. It conducts simulated credit risk stress tests from time to time and reports the risk exposure and limit control status to the Board of Directors.	The subsidiaries of SinoPac Holdings establish risk management indicators for management based on the product type, incorporate ESG factors into the risk assessment, and use external resources and tools to strengthen pre-investment evaluations. The Risk Management Division of SinoPac Holdings regularly compiles information on the market risk exposure and limit control of subsidiaries, and reports the information to the Board of Directors. The market risk management unit conducts stress tests and sensitivity analysis each month and submits the results to the Board of Directors.	The subsidiaries of SinoPac Holdings analyze the reasons for the occurrence of their operational risk incidents, damage status, and prevention measures and include improvements for various procedures as reference information. The Risk Management Division of SinoPac Holdings regularly reports the operational risk incidents and losses incurred to the Board of Directors.	The subsidiaries of SinoPac Holdings establish liquidity risk management indicators. Bank SinoPac conducts at least one liquidity risk stress test each year and reports the results to the Asset and Liability Management Committee and the Board of Directors. The Risk Management Division of SinoPac Holdings regularly conducts liquidity assessments of the working capital and reports the liquidity risk status and limit control of subsidiaries to the Board of Directors.
Risk indicators	1. Large credit exposure: They include risk categories derived from loans for the same natural person, legal entity, related party/affiliate, investment in the securities of the same company, and investment and lending for a single affiliate based on internal assessments 2. Concentration: Investment and lending for a single industry, high-risk industries, countries, and high-risk investment and lending based on internal assessments	Value at Risk limit (VaR limit)	Capital adequacy ratio, tier 1 capital adequacy ratio, common equity ratio, leverage, ratio	Debt-to-equity ratio, credit utilization ratio, liquidity coverage ratio, net stable funding ratio
2023 risk exposure	1. Large credit exposure: The risk exposure for investment in the securities of the same company was medium-low risk and all other indicators were low-risk. 2. Concentration: The risk exposure for country risks was medium risk and all other indicators were low-risk or medium-low risk.	The market risk value was lower in the past year and was low-risk.	Low risk (higher than statutory ratio and compliant with the requirements of the competent authority)	Low risk (higher than statutory ratio)

Bank SinoPac conducted a scenario analysis of its loan portfolio and considered the possible negative scenarios for its future operations for setting up the stress test scenarios required for Pillar 2. Bank SinoPac divided stress scenarios into minor and more serious scenarios based on the degree of stress and estimated the impact on risk indicators (including the operating ratio, full guarantee ratio, current loan-to-value ratio (CLTV), and debt burden ratio (DBR)) by considering economic indicators such as domestic and international economic growth rate, unemployment rate, interest rate, and housing prices. Bank SinoPac will continue to evaluate climate change, natural resource constraints, human capital risks and opportunities, and cyber security risks, and include them in the tests.

2.3.4 Emerging Risk Management

SinoPac Holdings established the "Emerging Risk Management Guidelines" and implemented management mechanisms for the identification, measurement, monitoring, reporting, and mitigation measures for emerging risks accordingly. Since 2019, the Company has referenced related reports on emerging risks published by external institutions each year to identify emerging risks. The Company also compiles feedback from subsidiaries, identifies emerging risks at the group level, and establishes mitigation plans to prepare in advance.

Emerging Risk Identification Procedures

Step 1

Activate emerging risk identification procedures

The Risk Management Division of SinoPac Holdings references research reports published by external institutions and the sustainability reports of benchmarking enterprises in the industry each year and provides a list of risk factors and evaluation table of emerging risks.

Step 2

Subsidiaries perform emerging risk identification and measurement

Each subsidiary refers to the list of risk factors and conducts qualitative or quantitative evaluations based on the possibility of occurrence, level of impact, and possible occurrence period. They identify emerging operation and business risks and submit the emerging risk assessment form to the Risk Management Division of SinoPac Holdings.

Step 3

Identify group-level emerging risks and mitigation measures

The Risk Management Division of SinoPac Holdings gathers the level of impact, likelihood, and possible period of occurrence for emerging risks identified by the subsidiaries and consolidates the results based on the weight of each subsidiary's net worth in order to identify emerging risks at group level and formulate corresponding mitigation and management measures accordingly.

Step 4

Disclose emerging risks to external parties

SinoPac Holdings discloses the long-term emerging risks in its Sustainability Report every year.

2.3.4.1 Emerging Risk Identification Results

SinoPac Holdings compiles the emerging risks submitted by the subsidiaries and considers the possibility of occurrence and the level of impact to identify the emerging risks of the Group. Among them, two major long-term potential risks, namely "Potential risks of the adoption of new technologies in operations (e.g., generative AI)" and "geopolitical and geoeconomic confrontation" have more significant impact on SinoPac Holdings and the Company formulates related mitigation and management measures.

Risk factor	Potential risks of the adoption of new technologies in operations (e.g., generative AI)	Geopolitical and geoeconomic confrontation
Possible occurrence period	Long term	Long term
Description of risk	Generative AI is an AI technology that allows machines to use learning models to study large amounts of data and gain the ability to generate creative content. Many generative AI applications such as ChatGPT have been launched in recent years. Due to the characteristics of the industry, digital transformation and innovation have always been critical for the digitalization of the financial industry. The use of generative AI in the financial industry mainly consists of financial analysis, customer services, marketing, and sales. The use of generative AI in the production process may create the following risks: • If the use of generative AI requires a partnership and connection with an external entity, it may increase the risks of hacker attacks and the leak of personal data or sensitive data. • Inaccurate information in the original data used for the machine learning of generative AI may create biased contents, which may lead to errors in business decisions and create financial or reputation risks for companies. • Due to rapid innovations in FinTech such as generative AI, changes in supervisory regulations have become increasingly rigorous. As a result, financial institutions are more likely to receive fines for violations of regulations and it increases the cost of internal control and compliance.	Political and economic risks arising from geopolitical confrontation refer to the risks of political, social, or economic changes in the countries or regions with financial activities and investment operations. They include the geopolitical confrontation between countries, and changes in the political or economic conditions or the monetary policies of individual countries. • Armed conflicts such as the continuous expansion of the Russo-Ukrainian War, the conflict between Israel and Hamas, and the blockade of the Red Sea by Houthi militants cause rising energy prices and food shortages and also affect inflation and economic growth. • The economic sanctions imposed on Russia by Europe and the United States, the trade war between the United States and China, and China's economic sanctions and restrictions on Taiwan have impacted business operations, which in turn has led to a global economic recession and financial market turmoil.
Risk category	Technological risks	Geopolitical risks
Scope of impact	Own operation risks; compliance risks; reputation risks; operational risks	Loan businesses; collaterals; investment/underwriting services; company operational risks; sales of products and commodities / customer services; country risks
Impact or influence on business/ operations	SinoPac Holdings employs two major strategies including "context management" and "AI and related digital technologies" to actively invest in the development of AI and new technologies. If SinoPac Holdings uses generative AI technologies in customer services, financial analysis, and other operations, the potential impacts are as follows: • Introduce generative AI technology (AI-powered customer services) into customer services for customers to interact with AI-powered customer services. If the operations of AI-powered customer services require a partnership and connection with an external entity, it may increase the probability for customers' personal data and sensitive data of the Company to be targeted by external hackers. It may lead to information security or personal data leaks, cause SinoPac Holdings to be penalized by the competent authority, and create material reputation risks or financial impact. • The use of generative AI technologies in financial analysis facilitates the rapid collection and analysis of massive quantities of data. If there are biases or errors in the original data used for the machine learning of generative AI, it may create biased analysis results and impact SinoPac Holdings' operations or finance. • If SinoPac Holdings uses generative AI and other new technologies in operations, it will be required to comply with increasingly rigorous FinTech supervisory regulations or the guidance policies of the competent authority for AI technologies. The cost of internal control and compliance will increase as a result.	SinoPac Holdings' main subsidiaries are Bank SinoPac and SinoPac Securities and their proportions of revenue were 74.89% and 22.69%, respectively. If a political or economic change occurs in countries or regions with financial activities and investment operations of SinoPac Holdings and its subsidiaries, the value of financial assets will fall and the default risks of loan customers will increase. These changes will affect the profitability of subsidiaries and impact the overall revenue of SinoPac Holdings. • Bank SinoPac: Geopolitical and geoeconomic confrontation has caused global inflationary pressures and increased the prices of energy and raw materials, which affect the global economy and impact export-oriented corporate clients. They face the risks of increased costs and supply chain disruptions, which affect their operating profit and diminished the value of collaterals. It thus indirectly increases the credit risk, market risk, and country risk of the Banks' credit and investment and lending portfolios. Bank SinoPac has no risk exposure in Russia and its risk exposure in China accounts for 41% of its net worth. Any impact on the Chinese economy would affect the profitability of the Bank. • SinoPac Securities: The international political and economic conflicts impact the stock and bond market. The Company and its customers may suffer severe losses in investment positions. In the event of an economic crisis, such as a financial turmoil, the Company's operations may be affected due to the impact on customers' financial arrangement and investment willingness. If severe scenario simulation is used, the estimated loss is approximately NT$2.6 billion.
Mitigation and management measures	• Introduce new information security protection technologies to strengthen information security mechanisms and personal data protection. Conduct regular social engineering exercises and emergency contingency plan exercises for personal data breaches. • If the use of generative AI requires a partnership and connection with an external entity, the Company will design procedures for removing the identifiable information from the personal data transmission and continue to optimize the security of the system data transmission framework, review the accuracy of transmitted and received data, and ensure information security and personal data protection. • When generative AI is used for operations, the Company must design and review procedures for verifying whether the original data used for the machine learning and carefully evaluate the application scenarios and system framework. • Continue to monitor the risks in the use of new FinTech and changes in related supervisory regulations. Plan awareness campaigns in employee training programs to increase their awareness and reduce the operational, compliance, and reputation risks of SinoPac Holdings.	• Closely monitor international political and economic conditions and affected industries to prevent over-concentration of assets. Pay close attention to the quality of assets with risk exposures, establish investment and lending limit for the same industry and the limits of overseas countries, and regularly monitor the management of the limits. • Continue to monitor market development, adjust corresponding investment strategies based on market changes, and develop a long-term diversified asset allocation approach for investments. • Implement daily monitoring of the profit and loss of SinoPac Holdings and subsidiaries as well as their Value at risk (VaR) to senior executives to rigorously implement risk management response measures for early warning, limit exceeded, or stop loss. • Simulate predicted scenarios for stress tests based on changes in economic conditions. Formulate response measures based on stress test results. • Strengthen post-loan monitoring and management mechanisms and actively monitor the operations of high-risk customers affected by the economy. Where necessary, increase the required collateral or recover loans upon expiry to reduce risks.

2.3.4.2 Operational Resilience

In response to the potential human-made or natural disasters, management crises, and cybersecurity incidents, SinoPac Holdings and subsidiaries established the "Management Crisis Emergency Response Measures" and "Emergency Response Rules" and organize regular exercises to reduce the impact of incidents, restore normal operations as quickly as possible, and protect the rights and interests of customers and shareholders.

Risk incident category and impact analysis

Category	Incident	Impact or influence on business/ operations	Response plan
human-made or natural disasters	Political events, strikes, wars, fires, floods, storms, earthquakes, pandemics, etc.	Climate change leads to extreme weather conditions that increase the likelihood of natural disasters. Possible impacts include damage to company premises and equipment as well as loss of customers and investment targets. Heightened geopolitical risks may lead to drastic political, social, or economic changes, which affect financial markets and reduces corporate profits.	SinoPac Holdings has defined four levels of alert based on the impact of disasters and require all units to evaluate the possible occurrence of internal events and formulate countermeasures to eliminate the impact of disaster and resume normal operations.
Management crises	Fraud derived from poor internal control, liquidity crisis, material property loss, bank run or imminent bank run	The occurrence of sudden cash demand, abnormal deposit withdrawals, large capital loss, and severe liquidity shortage due to a systemic risk crisis may jeopardize normal operations and damage the interests of depositors and investors.	SinoPac Holdings has set up a crisis management team with the President as the convener to plan and supervise the implementation of the emergency response plan. In the event of a systemic risk crisis that results in sudden cash demand or imminent sudden cash demand, the crisis management team will assess the liquidity of the market and plan emergency response measures to ensure the Company's operations.
Cybersecurity	Data leakage or tampering, system service interruption, unauthorized network access, computer virus infection, etc.	Network attacks resulting in personal information leakage, customer data alteration, system crash, network outage, etc. may result in loss of business reputation and disruption of operations.	SinoPac Holdings has conducted structural isolation and system protection enhancement for high-risk systems, and regularly organize co-location and off-site backup exercises for information security risks to ensure operational sustainability. Please see 2.4 Information Security/Cybersecurity for related information.

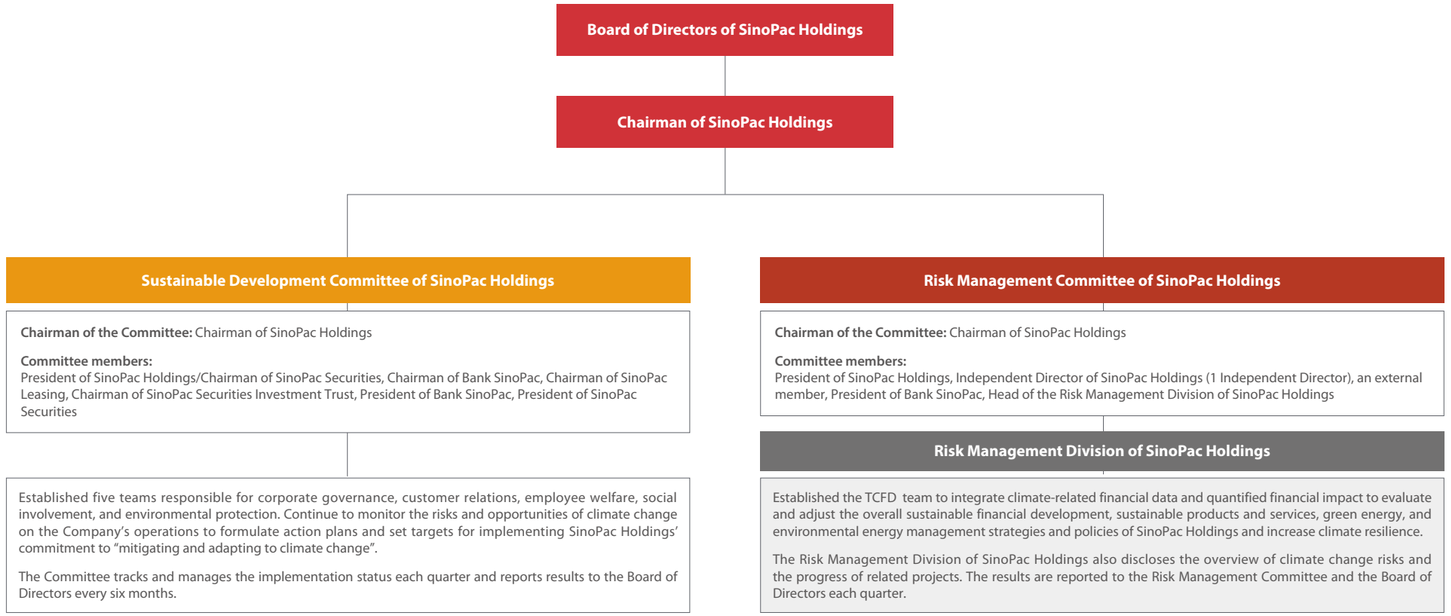
2.3.5 Climate Change Risk Management

SinoPac Holdings continues to evaluate climate change risks and establish corresponding response measures to identify the potential crises and opportunities brought forth by climate change. The Company also discloses climate-related information in accordance with the four pillars of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) – governance, strategy, risk management, and metrics and targets. SinoPac Holdings also became an official TCFD supporter in 2021 and published its first "TCFD Report" in 2022. The Company aims to continue to expand the influence of the financial industry to continuously power the development of green financial industries, enhance the transparency and integrity of climate change information disclosure, respond to requirements in domestic and international policies and rating agencies, and address the concerns of stakeholders regarding the risks and opportunities of climate change. In addition to climate change risks, SinoPac Holdings also focuses on long-term nature-related risks in the long run and has disclosed information in the "Climate and Nature-related Financial Disclosures Report" since 2023. The key points of the four pillars of the TCFD Recommendations are summarized below. Refer to the "Climate and Nature-related Financial Disclosures Report " for details.

2.3.5.1 Climate Governance

The Board of Directors of SinoPac Holdings is the highest governance unit for climate-related issues. It bears the ultimate supervision and management responsibilities for climate-related issues. The Company has set up the "Sustainable Development Committee" and the "Risk Management Committee" under the governance of the Chairman to take charge of critical issues such as the supervision and management of sustainable development and climate change.

SinoPac Holdings Climate Governance Structure



The Chairman serves as the chairperson of the Sustainable Development Committee, with the President of SinoPac Holdings and the chairmen and presidents of major subsidiaries serving as members. The Committee manages action plans and targets for climate change-related risks and opportunities to fulfill SinoPac Holdings' sustainability commitment to "mitigating and adapting to climate change". The implementation status is reported to the Board of Directors every six months. The Chairman also serves as the chairperson of the Risk Management Committee. An independent director, an external member, the President of SinoPac Holdings and the Chairman of Bank SinoPac serve as members. The Committee manages climate change risks to strengthen climate resilience. SinoPac Holdings incorporated climate change risks into the "Risk Management Policy" and established the "Guidelines for the Management of Climate-Related Risks and Opportunities" to improve the management mechanisms of climate risks and opportunities. Since 2021, the Risk Management Division of SinoPac Holdings has disclosed the overall climate change risks (including physical risks and transition risks related metrics) in the quarterly Risk Management Report and reported them to the Risk Management Committee and the Board of Directors. The overall status of the Company's management of existing or potential risks or climate change risks (including physical risks and transition risk indicators) and the progress of related projects are also reported to the Audit Committee. The Risk Management Committee established the "TCFD team" and the Risk Management Division serves as the organizing unit, with the TCFD governance / strategy / risk management / metrics and targets, to integrate the climate-related financial information and quantitative financial impact. It uses the results to evaluate and adjust the existing strategies and policies for the sustainable finance development, sustainable products and services, green energy and environmental energy management to increase climate resilience.

To fulfill sustainability strategies and implementation progress, SinoPac Holdings already included sustainable development into one of its four major strategies for 2022-2024 as well as the long-term and short-term performance targets of the President and senior executives to connect. It is also connected to the variable remuneration. Please refer to 2.1.4 Senior Executive Remuneration Policy for the explanation of related targets.

2.3.5.2 Climate Strategies

SinoPac Holdings established the "Guidelines for the Management of Climate-Related Risks and Opportunities" to evaluate the climate-related risks and opportunities of the Group in its operations and measure the impact of related risks and opportunities on the financial and business plans and strategies. The Company also formulated mitigation and adaptation actions in response to climate change. The management procedures adopted by SinoPac Holdings for the identification of climate risks and opportunities can be divided into four steps, including compilation of a list of climate risks and opportunities, identification of risks/opportunities at the subsidiary level, identification of risks/opportunities at the group level, proposing mitigation or adaptation measures, and disclosure and communication with the public. The investment cost of the actions taken by SinoPac Holdings in response to climate change risks and opportunities include the insurance premiums for natural disasters, purchase of renewable energy, setup of climate-related databases, project expenses for the introduction of climate risk management and net zero strategy, and net zero event and exhibition expenses, totaling NT$30,806,037.

SinoPac Holdings identified 7 material climate change risks in 2023 and the detailed information is provided in the table below:

Risk category	Risk Incident	Potential financial impact	Possible occurrence period (Note)	Mitigation and adaptation measures
Transition risks - policy and legal	Increasingly strict policies or regulations on carbon pricing and carbon tax/emissions, carbon reduction targets, reporting obligations, and energy or electricity conservation may reduce the profitability of borrowers and investees and affect the Company's creditor rights or revenue.	Increase in losses in creditor rights Decrease in investment proceeds	Long term	1. The Customer Relations Task Force is responsible for implementing and enhancing responsible investment and responsible lending and the development of sustainable financial products/services. 2. SinoPac Holdings has pledged to attain net zero emissions of its financial portfolios by 2050, and formulated short, medium, and long-term work objectives for net zero emissions. The Company has received the Science Based Targets (SBT) validation in January 2024. In terms of investment and lending, the Company has established the carbon inventory, monitoring, and disclosure mechanisms of the Partnership for Carbon Accounting Financials (PCAF) and actively engage investment and lending partners. The Company also plans to gradually withdraw from investment and lending of thermal coal and unconventional oil & gas projects. 3. SinoPac Holdings and subsidiaries established the "Responsible Investment Management Guidelines" for promoting and implementing responsible investment. Bank SinoPac established the "Responsible Lending Management Guidelines" and signed the "Equator Principles" to gradually enhance the ability of the Bank's credit service personnel to identify ESG risks and assess the financial impact of climate change. It also provides guidance to borrowers for developing green energy industries and industry upgrades, and adjusts risk allocations in accordance with regulations. 4. The Risk Management Division of SinoPac Holdings oversaw the establishment of the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation" and the units responsible for projects evaluate and adjust the existing strategies and policies for the overall sustainable financial development, sustainable products and services, green energy and environmental energy management based on the quantitative financial impact to increase climate resilience.
Transition risks – policy and legal	Increasingly strict policies or regulations on carbon reduction goals and reporting obligations (e.g., commitment to net zero emissions and SBT carbon reduction goals) reduce business opportunities and may cause declines in company revenue.	Increase in losses in creditor rights Decrease in investment proceeds	Medium term	1. The Company has pledged to attain net zero emissions of its financial portfolios by 2050, and formulated short, medium, and long-term work objectives for net zero emissions. In terms of investment and lending, the Company has established the carbon inventory, monitoring, and disclosure mechanisms of the Partnership for Carbon Accounting Financials (PCAF). The Company also plans to gradually withdraw from investment and lending of thermal coal and unconventional oil & gas projects and actively engage investment and lending partners in high-emission industries to support the transformation and decarbonization in the industry. 2. The Customer Relations Task Force is responsible for implementing and enhancing responsible investment and responsible lending. It regularly reviews, updates, and develops green financial products and services. 3. SinoPac Holdings and subsidiaries established the "Guidelines for the Management of Climate-Related Risks and Opportunities" or "Standards for the Management of Climate-Related Risks and Opportunities" to manage climate-related risks, disclose information on climate-related risks and opportunities, and comply with the disclosure requirements of the competent authorities on climate-related information. 4. SinoPac Holdings and subsidiaries established the "Responsible Investment Management Guidelines" or related regulations. Bank SinoPac established the "Responsible Lending Management Guidelines" and signed the "Equator Principles" to incorporate ESG factors and related risks into the business decision-making process. When processing investment and asset management and making decisions on project financing, they carefully evaluate the investee or borrower's environmental, social, and corporate governance risks. The Company also supports the FSC's "program to encourage domestic banks to provide loans to new key innovative industries" by providing financing for the green energy industry.
Transition risks - policy and legal	As a result of the low carbon policy implemented by the government, large quantities of equipment in industries with high carbon emissions (e.g., fossil fuel industry) will be written off earlier than planned in during the useful life due to accelerated depreciation and become "stranded assets".	Increase in losses in creditor rights Decrease in investment proceeds	Long term	1. To support international developments and the national target for attaining net zero emissions by 2050, the Board of Directors of the Company approved the net zero emission target on March 15, 2022. It has officially pledged to achieve net zero emissions in its own operations by 2030 and its financial portfolios by 2050. It also established the Project Management Office (PMO) for operations across different subsidiaries and departments to formulate short, medium, and long-term work objectives. 2. The Company has set science-based targets (SBTs) and received the validation in January 2024. The Company will continue to enhance all carbon reduction actions. 3. The Company announced that starting from July 1, 2022, SinoPac Holdings and subsidiaries will cease financing for new thermal coal and unconventional oil & gas projects and will not renew existing financing projects. To attain our net-zero commitment and continue improvements, the Company has expanded the scope of decarbonization to include investment and lending of thermal coal mining and power generation starting from July 1, 2023. 4. The Risk Management Division of SinoPac Holdings oversaw the establishment of the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation" and the units responsible for projects evaluate and adjust the existing strategies and policies for the overall sustainable financial development, sustainable products and services, green energy and environmental energy management based on the quantitative financial impact to increase climate resilience.
Transition risks - market	Due to the far-reaching impact of the EU Carbon Border Adjustment Mechanism (CBAM), the gradual increase in global carbon tariffs on imported goods may continue to increase the price of raw materials, which may affect their business or revenue.	Increase in losses in creditor rights Decrease in investment proceeds	Medium term	1. The Customer Relations Task Force is responsible for implementing and enhancing responsible investment and responsible lending and the development of sustainable financial products/services. Carefully review investments or financing for companies with high climate risks. 2. SinoPac Holdings and subsidiaries established the "Responsible Investment Management Guidelines" or related regulations for promoting and implementing responsible investment. Bank SinoPac established the "Responsible Lending Management Guidelines" and signed the "Equator Principles" to gradually enhance the ability of the Bank's credit service personnel to identify ESG risks and assess the financial impact of climate change. It also provides guidance to borrowers for developing green energy industries and industry upgrades, and adjusts risk allocations in accordance with regulations. 3. The Risk Management Division of SinoPac Holdings oversaw the establishment of the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation" and the units responsible for projects evaluate and adjust the existing strategies and policies for the overall sustainable financial development, sustainable products and services, green energy and environmental energy management based on the quantitative financial impact to increase climate resilience.
Transition risks - policy and legal	The promulgation and implementation of net-zero policies in different countries will affect the overall sales of specific products and services. For example, policies on the percentage of electric vehicles on the market or new building energy efficiency standards will result in dramatic increases/decreases in the output value of individual industries, which may affect their business or revenue.	Increase in losses in creditor rights Decrease in investment proceeds	Long term	1. The Customer Relations Team is responsible for implementing and enhancing responsible investment and responsible lending and the development of sustainable financial products/services. 2. The Board of Directors of the Company officially approved the net zero emission target on March 15, 2022. It has officially pledged to achieve net zero emissions in its own operations by 2030 and its financial portfolios by 2050. 3. The Company has set science-based targets (SBTs) and received the validation in January 2024. The Company will continue to enhance all carbon reduction actions. 4. In addition to continuous promotion of green and paperless operations and use of green electricity, the Company announced that starting from July 1, 2022, SinoPac Holdings and subsidiaries will cease financing for new thermal coal and unconventional oil & gas projects and will not renew existing financing projects. To attain our net-zero commitment and continue improvements, the Company has expanded the scope of decarbonization to include investment and lending of thermal coal mining and power generation starting from July 1, 2023. 5. The Risk Management Division of SinoPac Holdings oversaw the establishment of the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation" and the establishment of the TCFD Task Force. It evaluates and adjusts the existing strategies and policies for the overall sustainable financial development, sustainable products and services, and green energy and environmental energy management based on the quantitative financial impact to increase climate resilience.
Transition risks - market	Rising environmental sustainability awareness or extreme weather may impact companies with high energy consumption / high carbon emissions and increase the difficulties of recovering creditor rights or the impairment of the investment value.	Increase in losses in creditor rights Decrease in investment proceeds	Long term	1. The Company has pledged to attain net zero emissions of its financial portfolios by 2050, and formulated short, medium, and long-term work objectives for net zero emissions. The Company also plans to gradually withdraw from investment and lending of thermal coal and unconventional oil & gas projects and actively engage investment and lending partners in high-emission industries to support the transformation and decarbonization in the industry. 2. SinoPac Holdings and subsidiaries established the "Responsible Investment Management Guidelines" or related regulations for promoting and implementing responsible investment. Bank SinoPac established the "Responsible Lending Management Guidelines" and carefully evaluates investment and lending in sensitive industries (including high-emission industries). 3. When the first line of defense processes related businesses, they must evaluate climate risks, particularly those of industries susceptible to more significant climate risks, and take climate-related measures for clients in industries susceptible to more significant climate risks. 4. Reference the ESG rating mechanism of professional institutions, constituent stocks of ESG-related benchmarks indexes, or ESG-related external resources or tools to enhance evaluations. Enhance the ESG risk analysis of "sensitive industries". Where such risks are known, avoid underwriting if the assessment concludes that there is a risk of deterioration of ESG risks in the future. 5. The Risk Management Division of SinoPac Holdings oversaw the establishment of the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation" and the units responsible for projects evaluate and adjust the existing strategies and policies for the overall sustainable financial development, sustainable products and services, green energy and environmental energy management based on the quantitative financial impact to increase climate resilience.
Physical risk - acute	Increased likelihood of drought/water shortage results in losses due to potential water shortages in industries with high water consumption such as manufacturing, agriculture, or semiconductors that affects the Company's creditor rights or impacts the value of investment positions.	Increase in losses in creditor rights Decrease in investment proceeds	Medium term	1. SinoPac Holdings and subsidiaries established the "Responsible Investment Management Guidelines" or related regulations for promoting and implementing responsible investment. They also incorporate ESG issues into investment analysis and decision-making processes, and review ESG information disclosed by investees. 2. Bank SinoPac established the "Responsible Lending Management Guidelines" and signed the "Equator Principles" to incorporate ESG issues in the credit review decision-making process. It carefully evaluates the borrower's environmental, social, and corporate governance risks and monitors whether clients evaluate and adequately respond to climate change risks and opportunities. 3. When the first line of defense processes related businesses, they must evaluate climate risks, particularly those of industries susceptible to more significant climate risks, and take climate-related measures for clients in industries susceptible to more significant climate risks. 4. The Risk Management Division of SinoPac Holdings oversaw the establishment of the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation" and the units responsible for projects evaluate and adjust the existing strategies and policies for the overall sustainable financial development, sustainable products and services, green energy and environmental energy management based on the quantitative financial impact to increase climate resilience.

Note: Short term refers to events that may occur before the end of 2024; medium term refers to events that may occur in 2025-2026 (inclusive); long term refers to events that may occur after 2026 (exclusive).

SinoPac Holdings identified 6 material climate change opportunities in 2023 and the detailed information is provided in the table below:

Opportunity category	Opportunity event	Impact and amount of potential opportunity	Possible occurrence period (Note)
Products and services	Complying with government policies and regulations, expand investment and lending in renewable energy or green industries and innovate development of sustainable financial products and services to expand business opportunities.	Increase in income	Medium term
Market	Increase the issuance of or investment in green bonds or participate in underwriting of green energy industries to enter new markets, win new business opportunities in the circular economy, and increase operating revenue.	Increase in income	Medium term
Resilience	Actively participate in government and international sustainability and climate change initiatives. Implement the concepts in real actions and gain positive media coverage to enhance the overall corporate image.	Improve the Company's reputation Decrease in operating costs	Medium term
Products and services	In response to the global trends in low carbon and green energy and the increased demand for products that support environmental sustainability and climate change issues, increasing low-carbon products and services and optimizing digital financial services to enhance the convenience of use will be conducive to increasing customers and expanding business opportunities. Adopting paperless financial technology inside the Company with electronic services can also improve operational efficiency and save storage space.	Increase in income Decrease in operating costs	Medium term
Products and services	In response to the international green finance trends, the Company raised the threshold for collaboration with other non-green industries in the market by adopting a negative list or declining business transactions. By adopting the role of an ESG communicator with clients and assisting and guiding them in the low-carbon transformation and improvement of their business strategies through lending and investment, the Company can create an environmentally friendly environment and consolidate existing client relationships, which will enhance our corporate image.	Increase in income Increase in operational flexibility	Short term
Resilience	Include climate-related products in investment portfolios to monitor market trends and increase operational flexibility	Increase in operational flexibility Increase in revenue	Short term

Note: Short term refers to events that may occur before the end of 2024; medium term refers to events that may occur in 2025-2026 (inclusive); long term refers to events that may occur after 2026 (exclusive).

In addition, SinoPac Holdings established scenario analysis models for the climate change risks of different positions in the entire value chain. The Company also implements the quantitative calculation of the financial impact. The methodology and scenarios adopted are summarized below:

Risk category	Risk factor	Scenarios adopted	Target of analysis	Analysis results (Note 3)
Physical risks	Heavy rainfall and flooding	• RCP 8.5	Upstream suppliers' operating sites, own operating sites, own real estate, loan collateral, and corporate clients' plants	Under this scenario, SinoPac Holdings calculated the total estimated losses and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.
	Droughts	• RCP 2.6 • RCP 8.5	Upstream suppliers' operating sites, own operating sites, and corporate clients' plants	Under all scenarios in different points in time, SinoPac Holdings calculated the total estimated losses and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.
	Rising sea levels	• RCP 2.6 • RCP 4.5 • RCP 8.5	Upstream suppliers' operating sites, own operating sites, own real estate, loan collateral, and corporate clients' plants	Under all scenarios in different points in time, SinoPac Holdings calculated the total estimated losses and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.
Transition risks	Payments of carbon cost	• Network for Greening the Financial System (NGFS): 1. Below 2℃ (Note 1). 2. Net Zero 2050/1.5℃ (Note 2). • International Energy Agency (IEA): 1. Sustainable development scenario (SDS), equivalent to below 2℃ (Note 1). 2. Net zero emissions by 2050 (NZE), equivalent to net zero 2050/1.5℃ (Note 2).	Suppliers	SinoPac Holdings evaluated the expected carbon costs transferred from suppliers. Under all scenarios in different points in time, SinoPac Holdings evaluated the potential level of impact that decreases the capital adequacy as low.
			Investment and lending positions in industries with high carbon emissions and companies with high carbon emissions listed by the Ministry of Environment	SinoPac Holdings evaluated the investment and lending positions of the targets of analysis. Under all scenarios in different points in time, SinoPac Holdings calculated the overall increase in estimated losses for credit risks and market risks and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.
	"Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" of the Ministry of Economic Affairs	Nationally Determined Contribution (NDC)	Investment and lending positions in major electricity consumers	SinoPac Holdings evaluated the investment and lending positions of the targets of analysis. Under all scenarios in different points in time, SinoPac Holdings calculated the overall increase in estimated losses for credit risks and market risks and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.
	Net zero emissions in own operations by 2030	Achieve net zero emissions in own operations by 2030.	Own operations	SinoPac Holdings evaluated the increased cost of carbon reduction for attaining net zero emissions. In different points in time, SinoPac Holdings evaluated the potential level of impact that decreases the capital adequacy as low.

Note 1: Equivalent to SBT target path: linear emission reduction of 2.5% each year.
Note 2: Equivalent to SBT target path: linear emission reduction of 4.2% each year.
Note 3: low level of impact means that the expected losses are expected to decrease the capital adequacy ratio of SinoPac Holdings by less than 1%, which is approximately under NT$1.9 billion.

2.3.5.3 Climate Risk Management

SinoPac Holdings continues to enhance climate-related risk management mechanisms. This year, the Company has followed the four major cores of TCFD framework and referenced the "Guidelines for Domestic Banks' Climate Risk Financial Disclosure" by Financial Supervisory Commission R.O.C. (Taiwan) and added "governance", "strategy", "risk management", and "metrics and targets" in the Company's "Guidelines for the Management of Climate-Related Risks and Opportunities" to improve climate risks and opportunities management mechanisms. The subsidiaries have established the "Standards for the Management of Climate-Related Risks and Opportunities" and integrated climate risks into business items. They also established the "Responsible Investment Management Guidelines" and "Responsible Lending Management Guidelines" for investment and lending businesses for management and control. SinoPac Holdings also established the "Natural Disaster Emergency Response Guidelines" and "Supplier Sustainable Development Guidelines" to ensure prudent management of its credit, market, and operational risks.

SinoPac Holdings uses the three lines of defense in internal control to specify the duties and management mechanisms for the management of climate change risks on each line of defense. They are explained below:

First line of defense	Second line of defense	Third line of defense
When processing related businesses, evaluate climate risks and incorporate climate-related risks in business consideration	**Effectively monitor and control the implementation of climate risk management by the first line of defense and ensure compliance with regulatory requirements in all related operations**	**Evaluate the effectiveness of climate risk monitoring and control by the first and second lines of defense and propose recommendations for improvements as necessary**
When processing related businesses, incorporate climate-related risks in business consideration and identify the correlation of climate risks with other risks such as credit risks, market risks, operational risks, and liquidity risks. Monitor routine business operations and take suitable identification, evaluation, and management procedures to ensure adequate management of risks at the start. Adopt differentiated risk management measures for businesses or transactions with high climate risks based on the level or ranking of identified or assessed climate risks.	• Formulate overall policies and establish management systems to help units implement climate change risk management and monitor the implementation of risk management by the first line of defense. • Monitor amendments of regulations and provide information to units for review to ensure that all operations and management regulations are updated in a timely manner in accordance with the climate risk regulations published by the competent authority. • Implement scenario analysis of physical risks and transition risks to assess the impact of climate risks on business and resilience. Disclose in the Risk Management Report each quarter for presentation to the Risk Management Committee and the Board of Directors. • Reference scenario analysis results when conducting regular reviews of climate risk management regulations and practices, and should also retain related documents containing key scenario analysis assumptions and parameters (including selected scenarios, reasonable assumptions, results, possible actions considered, and actual actions taken in response to risks) for at least 5 years.	Evaluate the effectiveness of climate risk monitoring and control by the first and second line of defense and propose recommendations for improvements as necessary.

2.3.5.4 Climate Metrics and Targets

In response to the challenges of climate-related risks and opportunities, SinoPac Holdings pledged to achieve net zero emissions in its own operations by 2030 and its financial portfolios by 2050. SinoPac Holdings has implemented organization-level GHG inventory each year since 2018 (please refer to 5.1.2.1 Greenhouse Gas Management for details). The Company reduced carbon emissions by setting SBTs, gradually increasing the use of renewable electricity, expanding renewable energy financing, and issuance of green bonds, adjusted the investment and lending strategies (e.g., withdraw investments from financing industries with high carbon emissions, support clean energy and innovative technologies, assist the clients with the reduction of carbon emissions and transition into low carbon operations for energy conservation) to expand the scope, uncover climate-related opportunities, and promote the low-carbon transition of the entire value chain. Related plans have been incorporated into the SinoPac Holdings short, medium, and long-term key tasks for sustainable development (please refer to Special Chapter 3 Preparation for Net Zero Emissions and 1.1.3 Three Sustainability Commitments and SDGs - Mitigation and Adaptation to Climate Change).

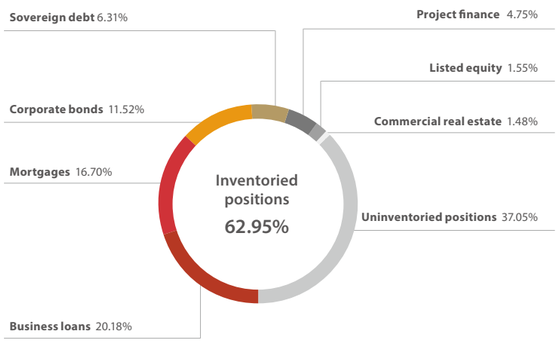
SinoPac Holdings has set climate targets for climate governance, climate opportunities, green procurement, green operations, capital allocation, internal carbon pricing, climate risk management, climate engagement, greenhouse gas emissions, energy usage, and other short, medium, and long-term goals. Please refer to the Company's 2023 "Climate and Nature-related Financial Disclosures Report" for more details. The Company will review and track the status of the metrics and targets each quarter in the Sustainable Development Committee and implement continuous amendments to strengthen our climate resilience and win business opportunities.

2.3.5.5 Carbon Inventory of Scope 3 Financed Emissions

SinoPac Holdings adopted the "Financed Emissions: The Global GHG Accounting and Reporting Standard Part A" methodology published by the Partnership for Carbon Accounting Financials (PCAF) on December 30, 2022, the "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks" published by the Bankers Association of the R.O.C. in October 2023, and the "Facilitated Emissions: The Global GHG Accounting and Reporting Standard Part B" published by PCAF on December 1, 2023. The Company conducted a carbon inventory of the investment and lending portfolios with own capital and asset management businesses of SinoPac Securities Investment Trust (SinoPac SITC) on December 29, 2023, and facilitated amount for capital markets in 2023, and introduced ISO 14064 greenhouse gas validation and verification this year (Note 1). The scope of the inventory included assets such as mortgages, business loans, corporate bonds, sovereign debt, project finance, commercial real estate, listed/unlisted equity, and motor vehicle loans.

The overall coverage rate of investment and lending portfolios with own capital was 62.95% (ratio of inventoried amounts to overall investment and financing amounts) (Note 2). The financed emissions of SinoPac Holdings totaled 3.37 million tCO_2e and the overall economic emission intensity was 2.3 (tCO_2e/NT$1 million in investment and lending). In addition, the avoided emissions from renewable energy project finance totaled 1.33 million tCO_2e. In addition to evaluating the financed emissions from investment and lending with own capital, SinoPac Holdings also evaluated the financed emissions of assets management business of SinoPac SITC with a coverage rate of 97.68%. The financed emissions totaled 0.28 million tCO_2e. The facilitated emissions attributable to SinoPac Holdings was 0.5 million tCO_2e. Please refer to the 2023 "Climate and Nature-related Financial Disclosures Report " for the carbon inventory results for business categories and investment and lending in each industry and country.

Scope 3 financed emissions Inventory coverage rate of investment and lending portfolios with own capital



Asset class	Investment and lending amount included in the inventory (NT$ million)	Proportion of overall investment and lending portfolio (%)
Business loans	460,511	20.18%
Mortgages	381,135	16.70%
Corporate bonds (Note 3)	262,926	11.52%
Sovereign debt (Excluding LULUCF) (Note 4)	144,102	6.31%
Project finance	108,371	4.75%
Listed equity	35,368	1.55%
Commercial real estate	33,839	1.48%
Unlisted equity	6,141	0.27%
Motor vehicle loans	4,032	0.18%
Uninventoried positions (Note 5)	845,579	37.05%
Total	**2,282,005**	**100.00%**

Note 1: The Company and its subsidiaries' carbon inventory of Scope 3 financed emissions of investment and lending portfolios with own capital, asset management businesses of SinoPac Securities Investment Trust and facilitated emissions for capital markets was verified in accordance with ISO 14064-1:2018 published by the International Organization for Standardization (ISO). It was validated by the verification organization BSI in accordance with ISO 14064-3:2019, and a validation report was issued, complying with the regulations of Chapter 6 "Assurance (verification) Descriptions" in "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks."

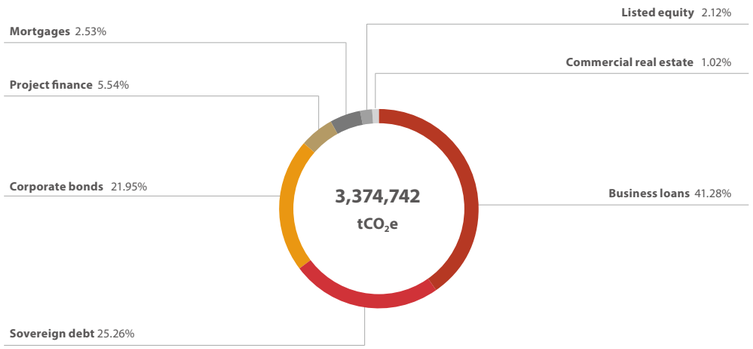
Note 2: The scope of inventory covers the overall domestic and foreign investment and lending positions of SinoPac Holdings and all subsidiaries.

Note 3: Corporate bonds investments included one fund investment linked to corporate bonds, with an investment amount of approximately NT$8 million.

Note 4: Refers to activities related to Land Use, Land Use Change, and Forestry (LULUCF). E.g., transforming the usage of forest to agricultural use.

Note 5: These positions are not yet inventoried as PCAF has not released related technical documents (including green investment and lending, personal loans, mortgages (repair and construction), derivatives, commercial paper, negotiable certificates of deposit, ETFs, and MBS), or because a small amount of inventory information was incomplete.

Scope 3 financed emissions of investment and lending portfolios with own capital



Reference date: December 29, 2023

Asset class	Investment and lending amount	Financed emissions (tCO_2e)	Proportion of financed emissions	Economic emission intensity (tCO_2e/ NT$1 million in investment and lending)	Data quality score (1: best; 5: worst)
Business loans	460,511	1,393,189	41.28%	3.0	3.2
Sovereign debt (Excluding LULUCF) (Note 1)	144,102	852,452	25.26%	5.9	1.8
Corporate bonds (Note 2)	262,926	740,812	21.95%	2.8	1.8
Project finance	108,371	186,808	5.54%	1.7	3.0
Mortgages	381,135	85,435	2.53%	0.2	4.0
Listed equity	35,368	71,609	2.12%	2.0	1.2
Commercial real estate	33,839	34,406	1.02%	1.0	4.0
Motor vehicle loans	4,032	5,974	0.18%	1.5	3.4
Unlisted equity	6,141	4,057	0.12%	0.7	3.2
Total	**1,436,426**	**3,374,742**	**100.00%**	**2.3**	**3.0**

Note 1: Financed emissions of sovereign debt excluding LULUCF amounted to 852,452 tCO_2e, and which including LULUCF amounted to 793,212 tCO_2e.

Note 2: Corporate bonds investments included one fund investment linked to corporate bonds, with an investment amount of approximately NT$8 million, contributing to 122 tCO_2e of financed emissions.

2.3.6 Natural Risk Identification and Management

The Taskforce on Nature-related Financial Disclosures (TNFD) published the official TNFD Recommendations in September 2023 and focused on the four pillars including governance, strategy, risk and impact management, and metrics and targets as the framework of disclosure. It also established the LEAP (Locate, Evaluate, Assess, Prepare) approach which emphasized that companies must consider the scope of their LEAP assessment before commencing the identification of risks and opportunities. They must then assess the nature-related dependencies and impacts and identify material nature-related risks and opportunities. TNFD also developed an exclusive LEAP methodology for financial institutions called LEAP-FI. LEAP-FI focuses on assessing the natural risks and opportunities associated with investment and lending activities (e.g., equity and bond investments, trading and insurance, and lending). SinoPac Holdings firmly believes that the loss of natural capital and the resulting nature-related risks will affect the business activities, capital allocation, and risk management of enterprises, which in turn will have a potential impact on financial business activities and lead to asset value impairment. On the other hand, the protection and restoration of natural capital will contribute to the sustainable development of industries and economic activities.

SinoPac Holdings follows the LEAP-FI analysis procedures, including "L" (Locate), which emphasizes whether the Company's own business activities and value chains affect the natural environment, specific biomes, or ecologically sensitive areas. SinoPac Holdings thus overlays the latitude and longitude location data of own real estate/operations, upstream suppliers' operations, and downstream corporate clients' plants with the areas designated as biodiversity hotspots by laws and regulations or programs related to important domestic nature conservation in 7 maps that include national parks, terrestrial wildlife refuges, terrestrial major wildlife habitats, coastal nature reserves, coastal general protected areas, nature reserves , and forest reserves.

Upstream suppliers' operating sites

▪Methodology:

Overlay the maps to evaluate the procurement amount from supplier operating sites in biodiversity hotspots.

▪Results:

The operating sites and headquarters of suppliers are mostly located in urban area, and the impact on biodiversity is relatively minor. There are no operating sites of upstream suppliers of SinoPac Holdings located in biodiversity hotspots.

Reference date: December 29, 2023 / Unit: NT$ million

Procurement amount from biodiversity hotspots	Percentage of total procurement of SinoPac Holdings
0	0.00%

Downstream corporate clients' plants

▪Methodology:

Overlay the maps to evaluate the financing amount for downstream corporate clients' plants in biodiversity hotspots.

▪Results:

Downstream corporate clients' plants are mostly located in areas near the coast and rivers, which often overlap with biodiversity hotspots. The risk exposure to investment and lending of downstream corporate clients' plants in Taiwan that are in biodiversity hotspots amounts to approximately NT$33.25 million, which accounts for approximately 0.14% of SinoPac Holdings' total investment and lending.

Reference date: December 29, 2023 / Unit: NT$ million

Investment and lending amount in biodiversity hotspots	Percentage of total investment and lending of SinoPac Holdings
3,325	0.14%

Own real estate/operating sites

▪Methodology:

Overlay the maps to evaluate the book value of own real estate located in biodiversity hotspots and the number of operating sites located in biodiversity hotspots.

▪Results:

As the locations of own real estate and operations are mostly in urban areas, they have little impact on biodiversity. The book value of own real estate of SinoPac Holdings located in biodiversity hotspots is approximately NT$26 million, which accounts for approximately 0.001% of the total assets of SinoPac Holdings. No operating sites of SinoPac Holdings are located in biodiversity hotspots.

Reference date: December 29, 2023 / Unit: NT$ million

Own real estate		Operating sites
Book value of properties in biodiversity hotspots	Percentage of total assets of SinoPac Holdings	Number of operating sites in biodiversity hotspots
26	0.001%	0

SinoPac Holdings complies with the TNFD "Additional guidance for financial institutions" to disclose the exposure to nature-related sensitive industries and also references the LEAP-FI approach, including "E" (Evaluate), which identifies and evaluates nature-related dependencies and impacts. Using the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tools in accordance with the guidance to establish a matrix of the dependencies and impacts of each industry in the investment and lending portfolio and understand the overall nature-related risk exposure. The Company also focuses on high-risk exposure and high-risk industries, collects information on the production processes of individual investees and borrowers and identifies the critical ecosystem services and impact drivers for the investment and lending portfolio to determine the extent of the investment and lending counterparty's dependencies and impacts on natural capital. The analysis procedures are as follows:

Industries

1 Inventory

Inventory and disclose the amount of investment and lending exposure to TNFD nature-related sensitive industries according to the TNFD Sector Guidance: Additional guidance for financial institutions (industry classifications are inventoried based on GICS definitions).

2 Evaluate dependencies and impacts

Assign scores based on the degree of dependencies and impacts of the industry according to the significance ratings of the ENCORE database (based on the GICS six-digit identification codes for industries).

Materiality rating	Corresponding score
VH	5
H	4
M	3
L	2
VL	1

3 Matrix of dependencies and impacts of each industry

Summarize the scores of the industry for each ecosystem service and impact driver, and standardize them for dependencies and impacts scores to create a matrix of dependencies and impacts of each industry.

Companies

4 Analyze dependencies and impacts factors

Collect information on the production processes and corresponding revenue of individual recipients of investment and lending, and use the ENCORE database to identify the ecosystem services and impact drivers with potential dependencies and impacts.

Exposure to TNFD nature-related sensitive industries:

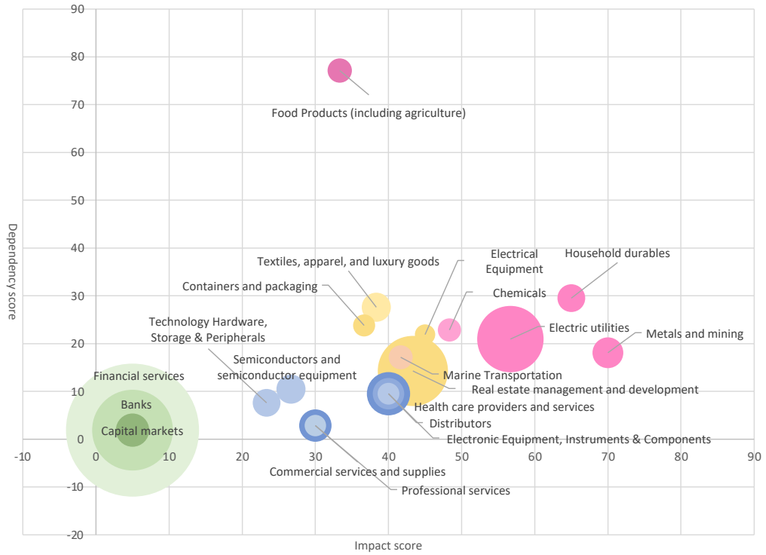
According to the definition of top 16 nature-related sensitive industries listed in the "Additional Guidance for Financial Institutions " released by TNFD in September 2023 (the industry classification is defined in accordance with the GICS classification), as of December 29, 2023, the investment and lending amount of TNFD in nature-related sensitive industries was NT$522,516 million, accounting for approximately 33.01% of the investment and lending portfolio on corporate clients, or 22.37% of the overall investment and lending amount of SinoPac Financial Holdings (including personal loans).

Reference date: December 29, 2023

TNFD nature-related sensitive industries	Number of invested and lent companies	Total investment and lending amount (NT$ million)	Percentage of investment and lending portfolio on corporate clients (%)
Construction services (includes manufacture of metal products)	1,140	175,635	11.10%
Utilities (including electric utilities, gas utilities, independent power and renewable electricity producers, and water utilities)	961	129,505	8.18%
Sewerage, waste collection, treatment and disposal	293	30,749	1.94%
Transport and associated services (includes passenger airlines)	229	28,970	1.83%
Metals and mining	252	27,813	1.76%
Textiles, apparel, and luxury goods	204	24,820	1.57%
Semiconductors and semiconductor equipment	147	24,792	1.57%
Beverages and food products (includes agriculture)	185	19,554	1.24%
Chemicals	139	15,809	1.00%
Containers and packaging	200	14,232	0.90%
Oil, gas, and consumable fuels	50	10,757	0.68%
Automobiles	31	7,736	0.49%
Paper and forest products	36	4,692	0.30%
Pharmaceuticals	64	3,814	0.24%
Construction materials	25	2,746	0.17%
Personal care products	8	893	0.06%
Total nature-sensitive industries	3,964	522,516	33.01%
Non-nature-sensitive industries	4,157	1,060,200	66.99%
Total	**8,121**	**1,582,716**	**100.00%**

Matrix of dependencies and impacts of each industry

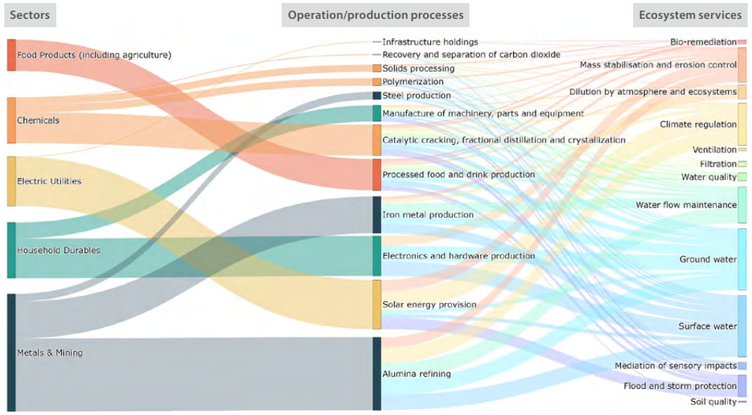
Description of matrix axis		
Level of dependencies	**Level of impacts**	**Bubble size**
Dependencies are aspects of environmental assets and ecosystem services that a person or an organization relies on to function. A company's business model, for example, may be dependent on the ecosystem services of water flow, water quality regulation and the regulation of hazards like fires and floods. The ENCORE database includes 21 ecosystem services.	Changes in the state of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions. Impacts can be positive or negative. They can be the result of an organization's or another party's actions and can be direct, indirect or cumulative. A single impact driver may be associated with multiple impacts. The ENCORE database includes 12 impact drivers.	Total amount of investment and lending on December 29, 2023



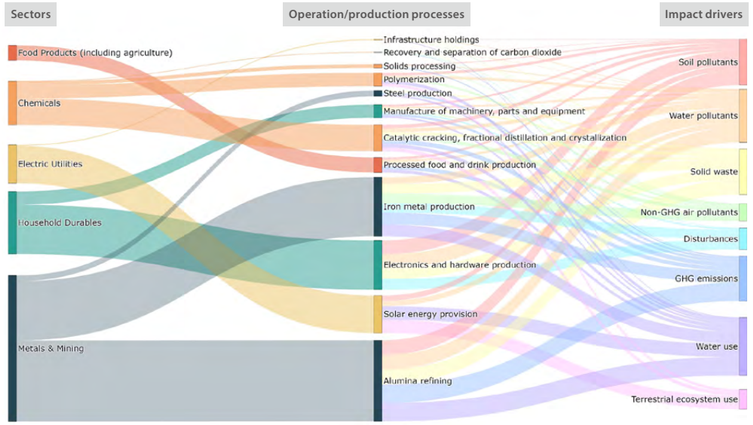
Sankey diagram of Top 25 listed companies in the top five high dependencies and impacts industries :

For the top five industries with the highest dependency and impact on nature (including food products, including agriculture; household durables; metals and mining; electric utilities and chemicals), SinoPac Holdings collected information on the business activities of the top five listed companies in each industry (totaling 25 companies) according to exposure. SinoPac Holdings uses public information to identify the operation/production processes of these companies, maps out the operation/production processes and identifies potential dependencies (ecosystem services) and impacts (impact drivers). By doing so, this enables the Company to carry out nature-risk identification of the entire investment and lending portfolios and establish corresponding risk management processes, expecting to mitigate potential impacts.

The results of the dependencies analysis are shown in the figure below. Through the analysis, it is found out that the companies operation/production processes depend on the following top three ecosystem services: groundwater, surface water, and climate regulation, accounting for approximately 55.2%



The results of the impact analysis are shown in the figure below. Through the analysis, it is found out that the companies operation/production processes have the top three impact drivers: including water use, water pollutants, and soil pollutants, accounting for 51.3%.



2.3.7 Human Rights Risk Identification and Management

SinoPac Holdings established the "Human Rights Policy" and expanded the applicable scope to partners, upstream suppliers, as well as downstream customers, and added customer review policies to prevent suppliers and customers from engaging in forced labor, human trafficking, and violation of work rights of their employees. In 2022, the Company added "fair treatment and equal remuneration" and amended the "discrimination" issue to "discrimination, diversity, and inclusion" to support international human rights developments and maximize the influence of the Company.

Employees	Customers	Suppliers
SinoPac Holdings has conducted human rights assessments since 2018 and established dedicated communication channels (e.g., dedicated phone number and mailbox) based on the "Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment". The Company is committed to creating a friendly work environment of diversity, equality, and inclusiveness.	SinoPac Holdings values the opinions of customers and established the "Fair Customer Treatment Principal Policy and Strategy" based on the ten major principles for treating customers fairly to create value for the society with customers.	SinoPac Holdings established the "Supplier Sustainable Development Guidelines" and signed the "Supplier Sustainability Commitment" with important suppliers with the aim of adopting consistent principles with suppliers and implementing human rights protection.

2.3.7.1 Human Rights Risk Due Diligence Process

Issue Identification → **Issue Assessment** → **Due Diligence** → **Formulate response measures** → **Follow-up review** → **Improvements of measures**

- Regularly review human rights issues and communities that may be affected based on its operations, value chain or other related activities
- Perform due diligence investigations on the stakeholders of SinoPac Holdings and evaluate the probability and level of impact of potential risks
- Create a human right risks matrix based on the results for preliminary identification of the risk rating
- Perform advanced identification of the risk rating based on the penalty and grievance
- Formulate human rights risk mitigation and remediation measures to effectively mitigate and remedy related human rights risks
- Regularly review the effectiveness of the mitigation and remediation measures
- Analyze the effectiveness of mitigation and remediation measures for project optimization and process review

SinoPac Holdings has conducted regular human rights assessment since 2019 by reviewing its operations and value chain (including suppliers and customers) and collecting the opinions of major stakeholders on human rights risks. In 2023, SinoPac Holdings identified the human rights issues related to employees, suppliers, and customers' industries in the supply chain and asked stakeholders to evaluate human rights risks based on a rating of 1 to 10 for the impact and likelihood. 324 valid questionnaires were collected for the identification of material human rights issues in the upstream, midstream, and downstream sections of SinoPac Holdings' value chain, assessment of groups at risk, and proposal of the corresponding human rights risk mitigation measures.

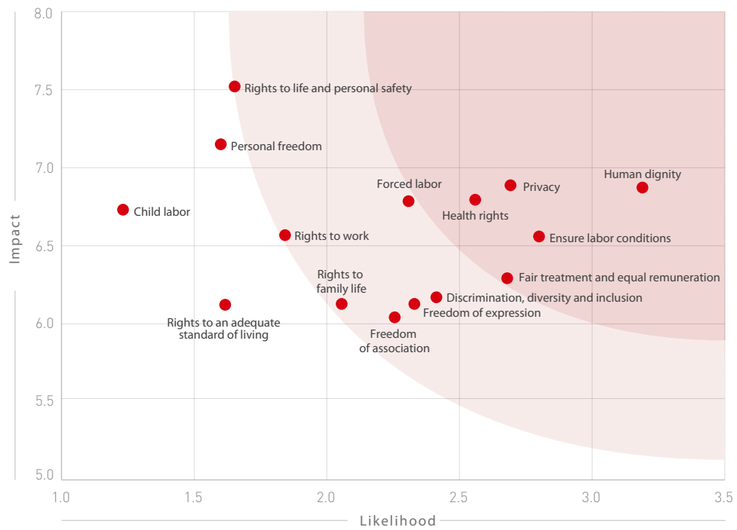
Human Rights Risk Identification Scope and Groups

Groups	List of human rights risks			Groups of human rights risks
Suppliers	Forced labor	Rights to work	Health rights	• Employees • Female • Children • Indigenous peoples • Migrant workers • Workers hired by third parties • Local communities
Customers	Child labor	Personal freedom	Rights to life and personal safety	
Employees (own operations)	Freedom of association	Rights to an adequate standard of living	Fair treatment and equal remuneration	
	Ensure labor conditions	Rights to family life	Freedom of expression	
	Discrimination, diversity, and inclusion	Privacy	Human dignity	

2.3.7.2 Human Rights Risk Identification Results

SinoPac Holdings used questionnaire surveys of stakeholders in 2023 for the preliminary identification of human rights issues with material impact included "human dignity", "privacy", "ensure labor conditions", "fair treatment and equal remuneration", and "health rights". The Company reviewed statistics of human rights violations in industries in Taiwan (common cases included "ensure labor conditions", "rights to work", "discrimination, diversity and inclusion", "forced labor", and "human dignity") and comparison with human rights cases and complaints involving ensuring labor conditions and forced labor in the operations of SinoPac Holdings. The results showed that the categories of material human rights issues are the same as the preliminary identification. The material human rights issues of concern to upstream, midstream, and downstream sections of the value chain are shown in the table below. There is similar between the identification results of "women" groups and the overall assessment results. In addition, SinoPac Holdings also implements remediation measures or related operations in the event of a human rights incident. Related complaints are processed in accordance with the complaint processing mechanisms. Refer to 4.4.3.3 Workplace Equality and Anti-Discrimination.

SinoPac Holdings'Material Issues in Human Rights Matrix



2023 SinoPac Holdings' Value Chain Human Rights Risk Identification Results

Value Chain	Competent Authority	Material Issues in Human Rights					Potential high-risk groups
Upstream Suppliers	Environmental Protection Task Force	Health rights	Ensure labor conditions	Human dignity	Rights to life and personal safety		Migrant workers, local communities, workers hired by third parties
Midstream Employees of SinoPac Holdings	Employee Welfare Task Force	Human dignity	Privacy	Ensure labor conditions	Fair treatment and equal remuneration		Employees, women, workers hired by third parties
Downstream Customers	Customer Relations Task Force	Health rights	Rights to life and personal safety	Human dignity	Ensure labor conditions		Migrant workers, local communities, workers hired by third parties

2.3.7.3 Value Chain Human Rights Risk Identification Results and Mitigation Measures

SinoPac Holdings reviews the appropriateness of remediation measures based on the results of the due diligence investigation, integrates the applicable scope of human rights risks, and tracks the occurrence of risks. In the event of critical human rights incident, the Company formulates remediation measures based on related regulations or operating standards. SinoPac Holdings' human rights risk mitigation and remediation measures are designed for all 212 sites of SinoPac Holdings and subsidiaries. The Company established the Personnel Review Committee for employees. In the event of a violation of human rights, the violation is included in the discussions of the Committee which will review the compliance of related regulations, formulate related measures, and reduce the possibility of occurrence. The Company requires suppliers not to violate human rights by means of regular supplier conferences and increasing the signing rate of the Supplier Sustainability Commitment. In terms of business operations, the Company reviews the compliance with human rights elements during the investment/credit evaluation and includes relevant cases in the evaluation for future collaboration.

List of major human rights issues and mitigation measures of concern to employees and customers (Please refer to 5.2.1 Sustainable Supply Chain Management for details of risk identification and mitigation measures for suppliers)

Main stakeholders affected	Material human rights risk	Description of risk	Risk identification percentage (Note)	Coverage rate of mitigation measures	Description of mitigation measures
Employees	Human dignity	An event that damages the human dignity occurs in SinoPac Holdings, such as workplace bullying or harassment.	19.9 %	100.0 %	• Established the "Guidelines for Sexual Harassment Prevention, Complaint, and Investigations " and "Non-Discrimination and Anti-Harassment Commitments ", and periodically organize education training sessions for the prevention of unlawful infringement and sexual harassment in the workplace to enhance managers and employees' gender equality awareness. Take immediate and effective correction and remediation measures in the event of sexual assault or sexual harassment. • Actively handle workplace violence or bullying in accordance with the Regulations for Employee Rewards and Punishments. • Established a dedicated sexual harassment grievance unit, grievance hotline, and dedicated e-mail to provide employees with timely assistance (e.g., EAP services and medical consultation).
	Privacy	SinoPac Holdings fails to properly manage business information, personal information of customers and employees, resulting in information theft, leakage, or misuse. In addition, relevant information cannot be deleted or removed based on their opinions such as the leak of customer data to a third party without the approval of the customer.	21.6 %		• Established the Employee Service Rules to stipulate employees' obligation for properly managing, using, and maintaining the core information and the intellectual property belonging to the Company, and keeping confidentiality. • Implemented the "Information Security Training" courses to enhance employees' information security awareness. • Please refer to 2.5 Privacy for detailed information on related mitigation measures.
	Ensure labor conditions	The labor conditions provided by SinoPac Holdings cannot adequately guarantee the basic economic conditions, life, health, and safety of employees. Examples include low salary that cannot support basic needs, short breaks between shifts, excessive periods of continuous work hours, and a hazardous work environment.	0.03%		• Established the "Employee Attendance Management Regulations" and "Employee Salary and Subsidies Distribution Standards" which specify the salary management guidelines. Provide overtime payment and supplementary leave based on employees' actual overtime work. • Provide employees commuting and attendance management reminders and regularly compile employees' overtime work status.
	Fair treatment and equal remuneration	The remuneration and human resource utilization policy of SinoPac Holdings is affected by factors such as nationality, race, gender, sexual orientation, age, religion, political view, physical or mental disability that results in unfair conditions, or the use of indicators unrelated to work as standards for salary payments. Examples include a lower salary for individuals for the same work due to sexual orientation.	0.4%		• Added the "ensure fair treatment and equal remuneration" article in the Human Rights Policy and provided suitable grievance mechanisms to mitigate and respond to cases where employee rights and interests are affected. • The Company set up an appeal mechanism for the annual performance appraisal. Employees of Bank SinoPac who have objections regarding the results of annual performance appraisal can file an appeal so that the HR unit can compile and file for review.

Note: Risk identification percentage = number of employees identified as exposed to risks / total number of full-time employees in the current year.

Main stakeholders affected	Material human rights risk	Description of risk	Risk identification percentage (Note)	Coverage rate of mitigation measures	Description of mitigation measures
Customers	Rights to life and personal safety	Immediate threats to the safety or life of employees of SinoPac Holdings' customer in the work premises or in the process of business. Examples include failure to provide safety protection facilities that cause a worker's death when falling from heights or death due to an electric shock.	5.8%	100.0 %	100.0 % Established the Responsible Lending Management Guidelines and included ESG factors into the "credit investigation risk information disclosure verification item" in the credit review system. Perform ESG risk assessment and review the factors to gain an in-depth understanding of the customer's conditions, assist in improvements, and formulate mitigation and remediation measures. (Please refer to 3.1.2 Responsible Investment and 3.1.3 Responsible Lending)
	Child labor	Employing employees who are under the legal age for the location of the operation site or under the age of 15 or employing employees under the age of 18 in hazardous jobs in the work premises of SinoPac Holdings' customer. Examples include the company employs underage youth to work in a highly polluted environment.	3.8%		
	Health rights	Treatment is required to be fully or partially returned to health due to long-term hazards to physical health occurring in the work premises of SinoPac Holdings' customer. Examples include occupational injuries, occupational diseases, and injuries due to accidents.	1.9%		
	Human dignity	Injury to the dignity of the human person occurring in the work premises of SinoPac Holdings' customer. Examples include workplace bullying and harassment.	1.9%		

Note: The risk identification percentage is estimated based on the response to the identification survey. The results show the percentage of high-risk industries among all subjects of the survey.

Incidents of Human Rights Violations and Responding Actions

In 2023, seven human rights violations incidents occurred at SinoPac Holdings. Refer to "4.4.3.3 Workplace Equality, Friendliness, and Anti-Discrimination" for more information on the incidents and improvement measures. SinoPac Holdings has activated employee education and training programs in response to the incidents and used various channels to communicate with employees and planned future improvement plans. Refer to P191 of SinoPac Holdings 2023 Annual Report.

Results of Training Programs for Human Rights Issues

Course	Number of participants	Number of hours
Information security awareness training	9,739	26,279
Gender equality and prevention of workplace infringement and sexual harassment	8,825	9,228
Workplace infringement case study workshops	62	156

2.4 Information Security/Cybersecurity

2.4.1 Information Security/Cybersecurity Governance Framework

SinoPac Holdings has a comprehensive information and network security governance framework. The Board of Directors is the highest-ranking unit responsible for supervising the information security strategies of the Group. The Director Chi-hsing YEH has expertise in information security and is responsible for overseeing the information security strategies of the Group. The Company set up the Information Security Committee as the highest-ranking unit for managing information security. The Company also has the Information Security Division and Information Technology Division which oversee the integration of policies, technologies, and resources for the information security of SinoPac Holdings and subsidiaries. To comply with the Implementation Rules of the Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries, the Boards of Directors of SinoPac Holdings and Bank SinoPac approved the appointment of Vice President as the Chief Information Security Officer in 2022. The Board of Directors of SinoPac Securities also approved the appointment of the Chief Information Security Officer in December 2021. Bank SinoPac and SinoPac Securities included the overall annual information security implementation into the Internal Control System Statement, which is signed by the Chairman, President, Chief Auditor, Chief Information Security Officer, and Chief Compliance Officer of the head office of each company.

SinoPac Holdings' Information Security/Cybersecurity Governance Framework and Division of Authority and Responsibility

Board of Directors	The supervises the Group's information security strategies.
President	The President oversees the Information Security Committee.
Information Security Committee	The Committee deliberates and formulates the information security policy and regulations, reviews the information security management system, raises information security awareness, formulates related training plans, and evaluates and decides on information security infrastructure.
Chief Information Security Officer	"The Board of Directors approved the appointment of Vice President Sean LEE as the Chief Information Security Officer in January, 2022 to comply with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries".
Information Security Division	The Information Security Division of SinoPac Holdings includes the Information Security Governance team and Information Security Technology Task Force which are responsible for the information security development strategies, selection of information security technologies, and resource integration.
Information Technology Division	The Information Technology Division of SinoPac Holdings includes the Information Management Task Force and System Management Task Force which are responsible for planning the software/hardware investments and information structures of SinoPac Holdings.
Information Security Units	Bank SinoPac and SinoPac Securities have both established information security units in accordance with the Information Security Policy of SinoPac Holdings, and continue to update their ISO 27001 Information Security Management certificate to fulfill their responsibility for maintaining the confidentiality of customers or investors' personal information.

Director and senior executives responsible for supervising information security/cybersecurity strategies

		Name and title	Professional background in information security
Governance level	**Board of Directors**	Chi-hsing YEH, Director	Former transaction security officer of eBay Taiwan, President of DragonSoft (information security), Prosecutor at Taiwan Banqiao District Prosecutors Office (intellectual property rights and computer-related crime section).
Management level	**Chief Information Security Officer,Convener of the Information Security Committee and head of the Information Security Division**	Sean LEE, Vice President	Former Chief Information Security Officer and Chief Information Officer of Fubon Financial Holdings, Director of the Criminal Investigation Bureau High-tech Crime Center, Chief of the National Police Agency Information Management Office.

2.4.2 Information Security/Cybersecurity Management

2.4.2.1 Implementation of Information Security Risk Management

SinoPac Holdings established the "Information Security Policy " to ensure that information processing at SinoPac Holdings and its subsidiaries complies with information security related regulations. The Company also reviews whether the Information Security Policy and information security incident response procedures are suitable for the business environment and comply with the competent authority's regulatory requirements every year. The Company also evaluates material information security issues. SinoPac Holdings, Bank SinoPac, and SinoPac Securities regularly communicate internal information security policies to all employees via e-mail and organize regular training programs to improve employees' knowledge of information security. SinoPac Holdings sets business ethics and information privacy rules in the " Supplier Sustainable Development Guidelines " and requires suppliers to reasonably protect business information and personal data to ensure that the Company and individual privacy are not damaged due to data leaks.

To enhance the internal information security protection of SinoPac Holdings, the Group conducts evaluations on information security risks and their vulnerability based on different frequencies to learn about the potential information security threats in the system and internal controls. In 2023, SinoPac Holdings and its subsidiaries had no fines and financial losses occurred by any accidents that cause damage to information systems or equipment.

SinoPac Holdings has established the "Computer Information Security Incident Response Team" for the Group to implement real-time monitoring of the information security incidents of the Company and subsidiaries with incident reporting and emergency response procedures. The Company also appointed external professional information security consultants to use their extensive experience in dealing with information security incidents to provide the internal response team with suitable and professional advice and support in case of emergency. In addition, SinoPac Holdings continues to improve the Advanced persistent threat (APT) defense system, defense against DDoS attacks, email content filtering, malware detection, website and APP vulnerability scanning, and security detection; at the same time, it targets high-risk systems (Such as ATM, SWIFT system) for structure isolation and system protection strengthening. The system management, database management, network management, information security management and related infrastructure maintenance activities provided by Bank SinoPac and SinoPac Securities have received ISO27001 certification. Bank SinoPac complied with the "Financial Cyber Security Action Plan 2.0" implemented by the competent authority and completed the " implementation of Information Security Governance Maturity Assessment" in 2023. It introduced the international standard "ISO 22301:2019 Business continuity management system" and "BS 10012 Personal Information Management System (PIMS)" , obtaining the external certification of the standards in 2023. Refer to the official website of SinoPac Holdings for detailed information on the Information Security Policy, related evaluations, and reporting procedures .

SinoPac Holdings' Implementation Measures for Information Security Management

Item	Frequency	Main contents
Review of daily information security inspection reports	Daily	Uncover potential information security incidents by reviewing the information security inspection reports to reduce threats and impact
Convene monthly meetings of the Information Security Intelligence Center	Monthly	Review the monitoring and control measures of terminal hosts, accounts with special privileges, user actions, and threat hunting for analysis and discussions
		Review the resolutions of the Information Security Intelligence Center and the implementation of measures such as information security monitoring points
Review vulnerability scan reports	Quarterly	Review web and host vulnerability scanning reports and track the progress of vulnerability rectification, and continuously track vulnerability to strengthen information security capacity
Review penetration test reports	Semi-annually	Execute penetration tests for web pages and SWIFT to track the progress of vulnerability rectification and strengthen information security capacity

2.4.2.2 Information Security Trends

In light of the information security threats and cyber-attacks that are frequently occurring worldwide, besides continuing to assess information security risks that the Company may encounter internally, SinoPac Holdings pays close attention and monitors trends in information security issues derived from emerging financial technologies. Information security communication meetings are convened on a monthly basis to review information security mechanisms and plans of SinoPac Holdings and subsidiaries. The Information Security Intelligence Center also convenes monthly meetings to analyze if there were attacks from publicly known major information security threats.

To date, emerging information security risks and trends observed by SinoPac Holdings are mostly related to mobile payment and Internet banking, which have become very popular in recent years. Such threats include the use of social engineering techniques to embed malware to gain control over important assets and equipment and steal data, use of ransomware attacks to encrypt high-value computer files in the corporate organization and request ransom, use of distributed denial-of-service (DDoS) attacks to interrupt operations, and supply chain attacks.

Information Security-related Trends

Information security trend category	Possible frequency of occurrence	Potential information security threats
Social engineering/ Ransomware attacks	At least 5 related incidents each year	Ransomware incidents have occurred frequently in the past few years. Hackers mostly use social engineering techniques (phishing emails, etc.) to lure victims to be deceived, and use malware to disguise as update files or file macros, which in turn infects enterprise computers, encrypts files, or steals sensitive data, and demands for ransom, which may affect the overall operation of the enterprise and information leakage.
Distributed denial-of-service attacks	At least 3 related incidents each year	Hackers use multiple computers under their control to generate large amounts of network traffic for the purpose of consuming the target's system resources, paralyzing the system, and eventually rendering it unable to provide services and causing business interruptions.
Supply chain attacks	At least 3 related incidents each year	Hackers have used third-party service software to find attack paths (e.g., vulnerabilities or version updates) to indirectly infiltrate into the internal systems of target organizations. Once they succeeded in the infiltration, they can move laterally to other units, cause damage to other units, and expand the threat to the organization.

2.4.2.3 Information Security Management Process and System

According to the "Information Security Policy" of SinoPac Holdings, all units shall process information security incidents in accordance with the "Outline of Emergency Response." The Information Security Division shall evaluate the scope of the impact, specify the scope of the evaluation of impact, prepare the response plans, and report the response plans. It shall also report to the convener of the Information Security Committee for necessary decision making and work assignments. In addition, SinoPac Holdings and subsidiaries execute the Business Continuity Plan (BCP) and tests in response to emergency incidents to improve the Business Continuity Plan.

2.4.3 Professional Training Program

To strengthen internal information security, SinoPac Holdings organizes online information security training for all employees each year. The courses include basic information security concepts, trends in information security, social engineering methodology, communication of internal regulations, and the cultivation of information security awareness. SinoPac Holdings has included the compliance of information security regulations as an item in employees' performance evaluation.

Information security/cybersecurity awareness training for SinoPac Holdings employees in 2023

Subsidiary	Recipients	Results of training programs
Bank SinoPac	Dedicated information security personnel	The personnel completed at least 15 hours of professional information security or professional skills training in accordance with regulations and received 35 professional certificates and 52 certificates of attendance to optimize the competencies of dedicated information security personnel.
	Regular employees	Personnel of the head office, local and foreign business units, IT units, financial custody units, and other managerial units completed at least three hours of information security training in accordance with regulations. The social engineering exercises were conducted after the training with a 99.39% passing rate. Employees who fail to pass the exercise shall receive additional training and tests to ensure they pass.
SinoPac Securities	Dedicated information security personnel	The personnel completed at least 15 hours of professional information security training courses in accordance with the Criteria Governing Internal Control Systems of Securities Firms, passing the evaluation and received 10 professional certificates and 10 certificates of attendance
	Regular employees	Personnel who are users of the information systems completed at least 3 hours of information security training in accordance with the Criteria Governing Internal Control Systems of Securities Firms. The passing rate of social engineering exercises was 99.25%. Employees who fail to pass the exercise shall receive enhanced training and additional tests to ensure they pass.

Information Security Incident Escalation Process

SinoPac Holdings' Information Security Projects and Implementation Results in 2023

Project name	Description of implementation and results
Information security maturity assessment	The information security regulations are based on universal protective baselines for compliance. To continue to improve information security management and meet the expectations of the Financial Supervisory Commission for financial institutions, SinoPac Holdings referenced the F-ISAC standards for the implementation of the information security governance maturity assessment project. According to the assessment results for 2023, Bank SinoPac has achieved "Level 3: Intermediate" in information security governance maturity, and more than 90% of the assessed items such as "Cyber Risk Management and Supervision" and "Threat Intelligence Management and Cooperation" have already reached "Level 4: Advanced". The overall strategy and information security-related goals will be adjusted on a rolling basis every year to improve the quality of network services and strengthen information security protection.
Business Continuity Management (BCM)	SinoPac Holdings implemented 6 evaluations and training activities in compliance with the "Financial Cyber Security Action Plan" implemented by the competent authority. It included the business continuity management system variation analysis, formulation of business shock analysis reports, establishment of the Business Continuity Plan (BCP) and supply of business continuity exercise scenarios, implementation of self-inspections and review of improvement recommendations, and accompanying external verification units in audits and providing improvement recommendations for audit results.
The Notification and Response of Cyber Security Incident	Relevant business, information, auditing and public relations units were invited to rehearse the "Ransomware affecting system services" incident through simulated alarms and notification records, covering incident notification (e.g., event level judgement, notification to the competent authority) and contingency recovery (e.g., blocking of affected hosts, preservation of evidence and investigation of the incident, and system recovery), to ensure the timeliness of the relevant personnel's operations in the event of a real incident.
Information security equipment daily log accommodation and analysis	Host computer, external website, network, and information security equipment daily logs are collected in real time and centrally stored in the log analysis platform to ensure audit trail retention and prevent tampering. SinoPac has also formulated rules for correlation analysis and detection. Suspicious events are automatically notified, and event lists were created for contingency tracking 24 hours a day throughout the year. Through customized dashboards and reports, it helps device managers to review high-authority access records, and regularly analyze and count attack events, deeply analyzing potential security threats and reduce security risks.
Red Team Assessment	To enhance the reach and intensity of information security exercises and improve information security personnel's response to information security incidents, red team assessment simulates actual external intrusion by hackers to understand the weaknesses and channels that may be exploited by hackers. It also explores potential breaches that may be overlooked by border and intranet defenses, so as to review and strengthen the inadequacies of the daily maintenance and management operations of the information security defense mechanism, ensuring that the internal detection and alert mechanisms operate effectively.
Web Application Firewall Extension	In response to the digital transformation of online services and the significant increase in network traffic, SinoPac has expanded the performance of the web application firewall (WAF) and provided future horizontal expansion and high availability architecture flexibility, constructing a firmware infrastructure for digital service information security. It thus enhances the performance of web services, strengthening the energy of information security protection.
Hacking Simulation Exercise (BAS)	Through automated tools to comprehensively simulate the behavior, tools, known relay stations of hacker groups, SinoPac verifies the effectiveness of information security defense equipment, strengthening control measures, such as increasing the detection or blocking of attack behavior mechanism, and enhancing the information security vertical defense and protection capabilities.
External Attack Surface Management	Introducing continuous and uninterrupted external network scanning and detection service, which covers all potential hacking points accessible by external Internet such as websites, mails, data exchanges and infrastructure equipment. In the event of any configuration error or service upgrades or revisions that result in vulnerability changes, risk rating changes will be reported automatically and immediately for prompt response.

2.5 Privacy and Security

2.5.1 Privacy and Security Governance Framework

SinoPac Holdings set up a Personal Data Protection and Management Task Force as the highest governing unit responsible for privacy protection. Vice President is assigned to serve as the convener to supervise and take charge of privacy protection and governance, risk supervision and management, improvement of privacy security awareness, and preparing related training programs. SinoPac Holdings' subsidiaries including Bank SinoPac, SinoPac Securities, SinoPac Securities (Europe), and SinoPac SITC have appointed a Data Protection Officer (DPO) and assigned a designated department responsible for client data protection. SinoPac Holdings Personal Data Protection and Management Task Force convenes at least one meeting every 6 months to discuss the privacy security protection of SinoPac Holdings and subsidiaries and personal data protection measures. In addition, the subsidiaries Bank SinoPac and SinoPac Securities organize third-party audits of the privacy policy compliance (including customers' personal data and privacy protection).

SinoPac Holdings uses an integrated corporate risk management framework and three lines of defense for the personal data risk management. The Company established related risk indicators from risk identification, measurement, response, monitoring, and reporting, and established related risk indicators, risk monitoring points, and early-warning mechanisms. Also set limit management based on the nature of risks and adopted both qualitative and quantitative approaches to evaluate risks at regular intervals for active monitoring and management. The personal data management status is reported regularly to the Personal Data Protection and Management Task Force, Audit Committee, and Board of Directors. Please refer to 2.3.1 Risk Management Framework for the practices implemented in the three lines of defense of SinoPac Holdings.

	Responsible unit	Role responsibility
First line of defense	Risk-bearing units (business units)	Ensure business activities meet regulatory requirements and internal regulations
Second line of defense	Risk management unit (e.g., Risk Management Division, Compliance Division, and Information Security Division)	Independent risk management and monitoring
Third line of defense	Audit units	Establishment of audit standards and independent implementation of audit and inspection

2.5.2 Privacy and Security Management

To prevent operations from harming the privacy right of customers and employees, SinoPac Holdings and its subsidiaries organize a self-evaluation for personal information protection every year for the identification of privacy risks. It include important monitoring items listed in the Personal Data Protection Act into the self-evaluation items including the maintenance of the accuracy of personal information, personal information inventory, risk assessment, awareness campaigns and training, data security management, personal information leak exercises, confidentiality obligations and personal information inquiry review, comprehensive incorporation of external regulations into internal rules, improvements for deficiencies found in audits, personal information record keeping, outsourced operations, and other control matters. In 2023, Bank SinoPac discovered 4 deficiencies (including personal data inventory; response procedures for personal data leaks; information security management, personnel management, and personal data inquiries and responses; internalization of external regulations and data security audit mechanism) and improvements have been made for all deficiencies. In addition, SinoPac Holdings and its subsidiaries organized 11 privacy and security training programs in 2023 for 9,892 participants.

Personal Information Protection Measures	Description
Personal information inventory	Conduct one inventory and audit to verify the current state of all personal information stored by the Company and specify the scope of their inclusion in the Regulations.
Risk assessment	Assess potential risks to personal information within the defined scope of personal information and in the processes of collecting, processing, and using personal information in operations. Review or adjust the Company's personal data management mechanisms based on the results of the risk assessment.
Information leak exercises	If e-commerce services are provided, information security measures such as the "countermeasures to prevent network intrusion by outsiders" and "monitoring and response mechanisms for illegal or abnormal usage" shall be implemented. Exercise and review for improvement must be implemented once a year.
Personal information self-evaluation	To continue to improve personal information security maintenance, all units are required to file a self-evaluation report annually to plan and implement improvement and prevention measures if the evaluation report shows any potential violation of laws or regulations. The President is authorized to approve these measures and report them to the Board of Directors at regular intervals.

2.5.2.1 Privacy Policy

In order to protect the customers' personal data and privacy, SinoPac Holdings revised the "Privacy Statement " in 2022. The scope of policy covers the overall operation of SinoPac Holdings, suppliers are also expected to comply with the statement. SinoPac Holdings promised that privacy is one of the risks of the Company, implement risk management and assessment, and strengthen the rights and protection of customer data privacy. SinoPac also established the "Customer Information Confidentiality Measures " to protect data and privacy and announced the methods for the collection, scope, and use of customers' personal information, as well as information security and retention methods. The Company also formulated the "Personal Data Protection Policy and Archive Maintenance Measures" to implement regulations for the use of personal data. The " Supplier Sustainable Development Guidelines " established by SinoPac Holdings also stipulates that third-party suppliers should reasonably protect business information and personal data to ensure that Company and personal privacy will not be leaked and damaged. Bank SinoPac achieved BS 10012:2017 Personal Information Management System (PIMS) accreditation in 2023 and continues to conduct annual renewal of the accreditation process.

Summary of the "Privacy Protection Statement"

Applicable scope	The Privacy Policy applies to all operations of SinoPac Holdings including the Group and its subsidiaries. The Company also encourages and requires suppliers and business partners to comply with the Privacy Policy to ensure that the information of the Group and companies and personal private information are protected harm caused by leaks.
Responsible person and department	SinoPac Holdings' organization shall include the Personal Data Protection and Management Task Force. The President shall designate a senior executive to serve as the convener of the Task Force.
Risk management mechanisms	SinoPac Holdings incorporated privacy rights into its risk management procedures and included related mechanisms into the internal control and audit items.
Penal mechanisms	Employees in violation of privacy protection regulations shall be punished in accordance with related regulations. If a customer's personal information is leaked, SinoPac Holdings shall immediately process the leak in accordance with the Company's "Outline of Emergency Response" and notify the parties.
Audit mechanisms	SinoPac Holdings shall appoint an accountant to carry out a special audit of its personal data protection and AML/CFT mechanisms in accordance with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries of the competent authority.

The collection of all personal data of customers by SinoPac Holdings is conducted in accordance with the "Financial Holding Company Act", "Rules Concerning Cross-Selling by Financial Holding Company Subsidiaries", "Personal Data Protection Act", and other related laws and regulations. SinoPac Holdings performs its obligations for providing notice to customers regarding the collection of their personal data in the "Customer Personal Data Confidentiality Measures" published on the official website. The items specified in the notice are as follows:

SinoPac Holdings informs customers of the following personal data issues

Nature of information captured	Purpose of using personal data
Possibility for customers to decide how private data is collected, used, retained and processed	Recipients of personal data disclosure (including the third-party disclosure policy)
How the information is protected	How to request data correction
Use of the collected information (including basic information, account data, credit information, investment data, and insurance data)	Opt-out option for joint marketing

Percentage and number of accounts s of users whose customer data is used for secondary purposes in 2023 (Note)

Number of accounts whose customer data is used for secondary purposes (Note)	3,301,505 accounts
Percentage of users whose customer data is used for secondary purposes (Note)	62.85%

Note: Used for purposes other than the original purpose for the collection of the data.
Example: Use in product marketing and promotion.

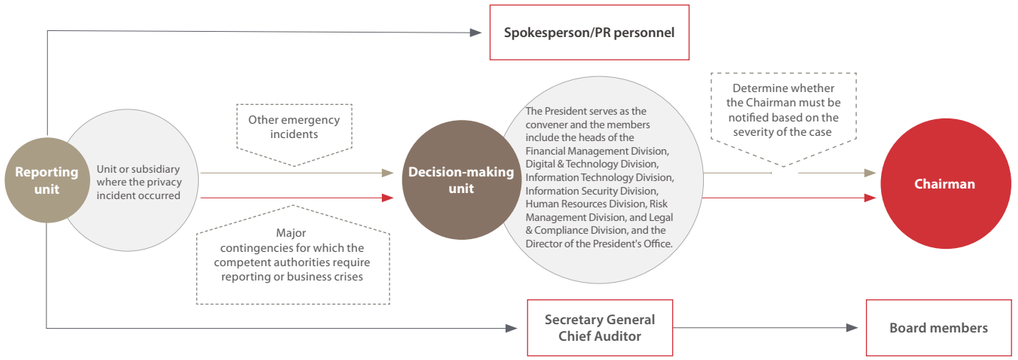
Steps to use of personal data for secondary purposes

Step	Opt-In	Data Changes or Modifications	Opt-out
Work Procedure	• Customers can choose whether to agree to provide information other than name or address as a field for marketing files, discloses, transfers, or shares customer information. • Confirmed by the customer with a signature or other means that can identify the identity of the customer and its expression of intent, only with the consent of the customer will the data be collected and used.	• May change personal information by contacting the service locations of the subsidiaries with which they have business dealings. • Unless otherwise specified by law, customers may contact any customer service center of the subsidiary to change personal information as well.	• Customers can notify the subsidiaries of the Corporation in writing, by e-mail or by calling the customer service center to request to stop their information from being shared for cross-marketing activities. • Once a subsidiary has received such a request, it will stop sharing customer information for marketing activities as soon as possible within a reasonable number of business days.

2.5.2.2 Privacy Incident Escalation Process

According to SinoPac Holdings' Personal Data Protection Policy and Archive Maintenance Measures, in the event of a suspected leak of customer private data, hacker attack on customers' personal data, or other privacy incidents, the designated person or department responsible for privacy issues shall immediately process the incident in accordance with the Emergency Response Rules and report to the Convener and Executive Secretary of the Personal Data Protection and Management Task Force. They shall report the response measures and solutions (including the methods adopted for limiting damages to the party, notifying the party after the incident is investigated, and the contents of the notification to the party after the incident is investigated) within 2 days. The "Employee Rewards and Punishment Regulation" of SinoPac Holdings and its subsidiaries also specify the disciplinary actions in case of breach. If an employee commits a breach of customers' private data and damages the interests of the company, the unit supervisor shall submit a list of personnel to be penalized to the Human Resources Department, and the results shall be submitted to the authorized supervisor for approval in accordance with the tiered internal accountability regulations.

SinoPac Holdings Information Security Incident Escalation Process



2.5.3 Breach of Privacy

SinoPac Holdings and its subsidiaries have regularly performed the internal control mechanism and organized self-evaluation for compliance and self-inspection. The audit unit also regularly or irregularly inspects the implement situations of personal data protection management in each unit. In 2023, SinoPac Holdings and its subsidiaries have received 47 cases of customer personal data complaints, 2 of which came from external organizations (e.g., Financial Ombudsman Institution) , 20 of which came from authorities (e.g., Financial Supervisory Commission Banking Bureau), and the remaining 25 cases were made by customers through internal channels (e.g., customer service centers). After internal verification, there were no cases of unlawful collection, processing, or use of customers' personal information, and the number of confirmed cases is zero. SinoPac Holdings will continue to strengthen the relevant protection mechanisms to fulfill the responsibility of protecting customers' privacy.

Privacy Issues Reporting Channels

	Customer Service Hotline	Online Customer Service / Customer Service Email
SinoPac Holdings	886-2-8761-2285	privacy@sinopac.com
Bank SinoPac	0800-088-111 886-2-2505-9999	https://bank.sinopac.com/GCSDsp/DspOnLineService.aspx
SinoPac Securities	0800-038-123 886-2-6630-8899	https://www.sinotrade.com.tw/CSCenter/CSCenter_13_6
SinoPac SITC	886-2-2312-5066	http://sitc.sinopac.com/newweb/contact/page.do
SinoPac Leasing	886-2-8161-2395	service.spl@sinopac.com
SinoPac Venture Capital	886-2-2393-33150 #333	-

Fulfillment of Innovative Service

3.1 Sustainable Finance Strategy

3.2 Sustainable Financial Products and Services

3.3 Smart Finance

3.4 Customer Relations

Corresponding GRI Material Topic - Critical Topics	
201: Financial Performance	G4 – Financial Services Sector Supplement: Product Portfolio
203: Indirect Economic Impacts	G4 – Financial Services Sector Supplement: Local Community
417: Marketing and Labeling	G4 – Financial Services Sector Supplement: Active Ownership

Continue to develop more aggressive decarbonization policy

Expanded decarbonization business restrictions

The Company expanded the scope of the decarbonization to include investment and lending of thermal coal mining and power generation starting from July 1, 2023

Leading position in solar PV financing market

To receive the "Top Solar System Award" from the Energy Administration, Ministry of Economic Affairs for 8 consecutive years

Organized the first power plant of solar and energy storage integration project for the construction of the largest site in Taiwan

Launched the first green house sustainability-linked loan

Total loans NT$3 billion

Cumulative amount of sustainable bonds issued NT$10.4 billion

Launched the first Braille combo card in Taiwan

Financial fraud prevention

Blocked 499 cases of suspected fraud in 2023 and the amount totaled NT$318 million

3 Fulfillment of Innovative Service

Sustainability Commitment	Corresponding SDGs	Action Plans	2028 Goals
Reduce Inequality	1 NO POVERTY	Improve accessibility of financial services	• Migrant workers: The amount of loans provided reaches NT$250 million. The cumulative number of successful applicants increases by 2,300 each year compared to the previous year. The cumulative fund allocation increases by NT$250 million each year compared to the previous year. • Farmers: The financial ecosystem service in wholesale markets reaches more than 2,600 loan applications and outstanding amount reaches around NT$135 million. • Individual merchants: The increase in the number of self-employed contracted merchants reaches 2.5% each year compared to the previous year, and credit card transaction amount increases by 30%. • Elderly people and persons with disabilities: Continue to organize seminars on eldercare trust/property trust, with number of participants increasing by 10% compared to the previous year. • Small capital customers: The customers on the SinoPac Stock Savings Plan platform reach approximately 175,000 accounts for the Taiwan stock / US stock market with debit amount of NT$29 billion. Accumulate 820,000 downloads of the DAWHOTOU App.
Mitigate and Adapt to Climate Change	7 AFFORDABLE AND CLEAN ENERGY	Support the development of the green energy industry	• Bank SinoPac continues to expand the scale of business in the green energy industry and business that meets climate goals. Increase the total installed capacity of green power transactions to 80MW. • SinoPac Venture Capital's additional investment in green industries shall not be less than 15% to 20% of the increase in investment amount that year. • SinoPac Leasing expands loans to green energy equipment and its supply chain and increases loan allocation by NT$1.5 billion each year.
	13 CLIMATE ACTION	Raise climate awareness (customers)	• Hold at least 4 ESG seminars/forums each year to raise the climate awareness of customers and peers in the industry. • SinoPac Securities arranges at least 20 ESG evaluation training courses for institutional investors each year. • Bank SinoPac looks into building a green credit scoring system (integrates the ESG risk matrix with conventional credit ratings) and encourages outstanding green companies. • 40% of the active debit cards and 15% of active Mastercard credit cards use the Carbon Calculator function to examine carbon emissions from transactions. Use cards with "Environmental Label Certified" for 50,000 newly issued (including renewal) of Green Card and debit cards. • Increase the ESG/green financial literacies for retail customers. • Hold seminars for wealth management customers to convey investment concepts of reducing global warming and extreme weather with a 5% increase in the number of participants compared to the previous year. • Continue the Net Zero Engagement Program with investees in response to development trends. • Expand and strengthen net-zero related business and continue to communicate sustainable finance solutions, carbon inventory, and energy management matching services to corporate clients.
Promote Inclusive Growth	8 DECENT WORK AND ECONOMIC GROWTH	Support the growth of small and medium enterprises (SMEs)	• The transaction amount of Bank SinoPac's SME digital platform (funBIZ - Online Collection API) reaches NT$21.1 billion. • Bank SinoPac's Small and Medium Enterprise Loans increases by 5-8% per year and the number of borrowers increases by 1% to 3% per year.

Summary of Six Capitals Performance in 2023

IN PUT

Financial Capital

- Total Investment assets at the beginning of the period were NT$386.631 billion
- Investment in property and equipment was NT$1.305 billion
- Expense of organizing seminars on green energy was NT$2.1333 million
- Expenditures on R&D was NT$740 million
- Issuance of NT$2 billion in sustainable bonds

Human Capital

- Input 111 employees to organize ESG forums
- Input 88 employees in the Customer Relations Team

OUT PUT

Financial Capital

- Total investment assets at the end of the period were NT$465,272 billion
- Total return on investment was NT$19.733 billion, and the rate of return on investment was 4.63%
- Interest spread was NT$5.939 billion
- Non-performing loans (NPL) ratio was 0.09%

Manufactured Capital

- Added 7 new services and functions

Social and Relationship Capital

- Number of people who benefited from key inclusive financial products and services: 18,595 customers and the business volume totaled NT$55.265 billion
- Bank SinoPac's customer satisfaction reached 97.40%

Natural Capital

- Loan outstanding for solar PV energy generation equipment financing reached NT$104.893 billion
- Assisted 8,198 energy plants from domestic and foreign companies and individuals with a total installed capacity of 3,444.28MW
- Loan outstanding for energy storage equipment financing totaled NT$5.971 billion

Intellectual Capital

- "Marketing system by using customer genes" utility model patent
- "Marketing system and method by using customer genes" invention patent
- "Smart real estate evaluation system" invention patent
- "Selection method and device for branch offices" invention patent
- "Decision-making assistant system for intelligent scheduling" utility model patent
- Received Level A certification for the Taiwan Intellectual Property Management System (TIPS) again in 2023

Summary of the Results in the 2023 Sustainable Development Plan

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note 1)
Implement responsible investment	• Continuously review the contents and targets of the ESG engagement questionnaire in response to international trends. • Continue to improve the ESG investment process by incorporating risk management mechanisms into pilot programs and defining sustainable strategic investment positions (positive listings). Clearly define controversial industries and differentiate sensitive economic activities from sensitive industries. • Continue improving the stewardship rating. • Evaluate the inclusion of the Taiwan Sustainable Taxonomy established by the FSC into the investment procedures. • SinoPac Securities Investment Service Corp. completes the ESG evaluation of 500 companies.	Achieved	• Continuously review the contents and targets of the questionnaire on sustainability issues in response to international trends. • Enhance responsible investment and implement adjustments based on the results of the pilot program for risk management mechanisms; deploy sustainable strategic investment positions; and incorporate the ESG investment process for critical issues (e.g., biodiversity). • Enhance stewardship, enhance voting and engagement policies, and enhance the stewardship rating. • Evaluate the inclusion of the Taiwan Sustainable Taxonomy into the investment procedures based on the schedule set by the FSC. • Enhance ESG evaluation tools and continue to publish ESG evaluation and analysis reports.

Summary of the Results in the 2023 Sustainable Development Plan

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note 1)
Implement responsible lending	• Continue to enhance the Environmental and Social Risk Team and implement the Equator Principles (EP4). • Continue to promote the Green Loan Principles and direct funding to support business transition. • Trial implementation of the ESG evaluation dashboard for public companies as reference for information disclosure for lending decisions. • Evaluate the inclusion of the Taiwan Sustainable Taxonomy established by the FSC into the lending procedures.	Achieved	• Continue to promote the Green Loan Principles and use funding, products/services, and engagement to support business transition. • Evaluate the inclusion of the Taiwan Sustainable Taxonomy into the lending procedures based on the schedule in accordance with the FSC and the Bankers Association's lending guidelines. • Continue to enhance the use of customers' ESG information as reference information for lending decisions.
Develop green financial products	• Bank SinoPac ⇨ Issuance of NT$2 billion in GSS bonds. ⇨ Continue to develop renewable energy financing with a target of attaining NT$90 billion in the balance of loans by the end of the year. ⇨ Promote financing for the development of agriculture (fishery) and electricity symbiosis and ground-mounted solar energy plants and develop financing for emerging renewable energy power generation facilities. Communicate the business model and financing services to external entities and organize internal training programs. ⇨ Reach NT$4 billion in energy storage equipment financing balance; promote green energy trading to reach 6MW of installed capacity. ⇨ At least 5% of the cardholders (based on the number of active cards) use the Carbon Calculator function; promote the Carbon Calculator function on debit cards and green consumption.	Achieved	• Bank SinoPac ⇨ Issuance of NT$1 billion in GSS bonds and develop underwriting business of GSS bonds. ⇨ Increase the balance of loans for green energy financing to NT$128 billion. ⇨ Promote green energy financing and services (including continuous development of financing for emerging renewable energy power generation facilities and develop services necessary for the wheeling of renewable energy electricity for borrowers of Bank SinoPac with electricity retailers), Communicate the business model and green financing services to external entities and organize internal training programs. ⇨ Reach 40MW in installed capacity for wheeling on the Green Energy Electricity Trading Trust Platform. ⇨ At least 35% of the debit card holders and 72% of the SPORT Card holders (based on the number of active cards) use the Carbon Calculator function. Promote the Carbon Calculator function and green consumption. Distribute and promote Green Card with low-carbon production processes. ⇨ Continuous promotion of green deposits.
	• Assets under the management of Bank SinoPac and SinoPac Securities' ESG green funds total NT$4.2 billion; underwrite 1 ESG Sustainability-linked Fixed or Floating Rate Commercial Paper (FRCP). Actively promote ESG and green funds (wealth management trust services) in sales and marketing activities.	Partially achieved (Note 2)	• Assets under the management of Bank SinoPac and SinoPac Securities' ESG green funds total NT$4.8 billion. Actively promote ESG and green funds (wealth management trust services) in sales and marketing activities (e.g., hold ESG seminars with customers).
	• SinoPac SITC issues 1 ESG fund.	Achieved	• SinoPac SITC issues/relaunches 1 ESG fund.
	• SinoPac Venture Capital investment in the green industry reaches NT$60 million.	Not achieved (Note 3)	• SinoPac Venture Capital's investment in green industries shall not be less than 15% of the increase in investment amount that year.
Develop inclusive financial products	• Serve as the merchants for 2,450 with financial ecosystem service in wholesale markets loans and loan balance reaches NT$100 million. Jointly offer proceed custodian services with an e-ticket platform to help farmers establish an agricultural product pre-purchase mechanism and improve the agricultural production model.	Not achieved (Note 4)	• Serve as the merchants for 2,450 with financial ecosystem service in wholesale markets loans and loan balance reaches NT$100 million. Promote the credit loan projects for wholesalers in the financial ecosystem.
	• Amount of loans provide under the Migrant Worker Lending Program reaches NT$200 million. Continue to promote credit cards for migrant workers; add online loan application platform services in foreign languages (English). • Number of participants in the eldercare trust seminars reaches 360, and strengthen the concepts of trust for elderly care and property trust. • Issue at least one inclusive financial product. • Establish responsible marketing policies.	Achieved	• Amount of loans provide under the Migrant Worker Lending Program reaches NT$230 million. The cumulative number of successful applicants reaches 17,000 and the cumulative fund allocation reaches NT$1.35 billion. Continue to promote the credit card for migrant workers. • Number of participants in the eldercare trust seminars reaches 396, and strengthen concepts of trust for elderly care and property trust. • Promote and develop related products and services for inclusive finance (financially vulnerable groups) (e.g., Low Income Personal Loan and micro business loans).
Promote digital innovation (services)	• Facilitate the recruitment of FinTech management talents through industry-academia collaboration. Build a team of 25 outstanding AI scientists. Build digital learning programs and a new digital learning platform for "mobile learning". • The percentage of departments that utilize RPA technology reaches 28%.	Achieved	• Cultivate digital talents and build a team of 33 outstanding AI scientists.
	• Digital integration between Bank SinoPac and SinoPac Securities to add "unlimited-purpose loans "integration service for DAWHO/DAWHOTOU; provide "asset integration reports" service on Bank SinoPac and SinoPac Securities websites.	Partially achieved (Note 5)	• SinoPac Holdings oversees data sharing mechanisms and completes the establishment of the database with SinoPac Holdings labeling; launch of the Bank SinoPac and SinoPac Securities collaborative business (including the DAWHO App connection to SinoPac Securities asset integration, SinoPac Securities increase of transaction limits online - connection to bank account balance/account type); overall examination of data sharing mechanisms. • Optimization of the "asset integration daily reports" service (new browser device/data expansion).
Promote ESG (Host Seminars/Forums)	• Host at least 4 ESG seminars/forums for customers. • Arrange at least 16 ESG evaluation training courses for institutional investors.	Achieved	• Host at least 4 ESG seminars/forums for customers. • Arrange at least 16 ESG evaluation training courses for institutional investors.

Note 1 : Please refer to the "Sustainability Commitments_ Action Plans and Short-term, mid-term, and long-term goals " on the official website of SinoPac Holdings for the latest sustainability work plans and target settings.

Note 2 : As market investments shift from ESG funds to ESG ETFs, SinoPac continues to promote ESG funds and participate in ESG fundraising to increase the scale of funds. The target achievement rate in 2023 was approximately 78%.

Note 3 : As there were limited green industry investment projects that meet requirements of investment strategies of venture capital, the number of approved green investments in the year were allocated in separate tranches due to market/client factors and the target achievement rate in 2023 was 8.5%.

Note 4 : As the prices of agricultural products remained stable at the end of 2023, the cash advance payment amount for the cards of wholesalers remained the same. The target achievement rate in 2023 was 99.5% for the number of cases and 98% for the balance.

Note 5 : Due to the overall plans for the establishment of the shared database of SinoPac Holdings, the launch of certain functions was delayed.

3.1 Sustainable Finance Strategy

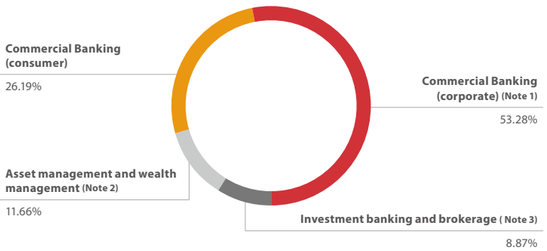
3.1.1 Sustainable Finance Management Framework

Corporate banking accounted for the highest percentage of SinoPac Holdings' consolidated net revenue in 2023, followed by retail banking. Under the supervision of the Sustainable Development Committee, SinoPac Holdings formulated a group-level sustainable finance statement in 2022 and has incorporated ESG factors into its corporate banking, retail banking, asset management, wealth management, investment banking and brokerage businesses. The Board of Directors approved the "Sustainable Finance Policy " on July 21, 2023, as the highest guiding principles for sustainable finance businesses, and business units established related management guidelines accordingly. The Company established the "Responsible Lending Management Guidelines" for incorporating environmental pollution and corporate governance-related regulations into the Customer Due Diligence (CDD) and Know Your Customer (KYC) process, and continue to include ESG-related risk issues as factors in evaluations.

The "Stewardship Policy" and "Responsible Investment Management Guidelines" also established screening criteria for excluding and selecting investment targets, determining the target's risk level, and examining if the investee company has any violation against environmental sustainability or any major ESG disputes. The investment is not made if there are any violations. SinoPac Holdings is also committed to continuous engagement with investment targets to guide investee companies in fulfilling their ESG responsibilities.

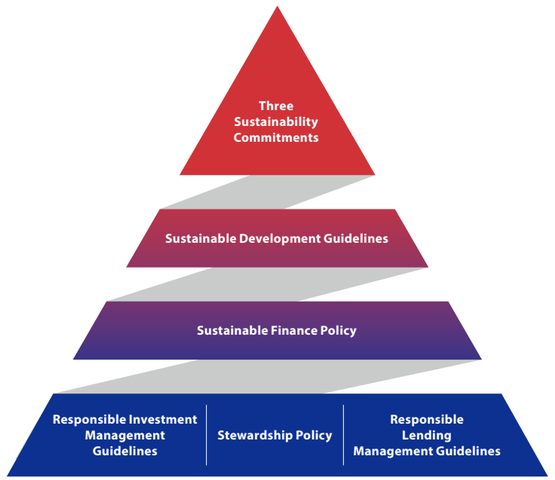
In addition, SinoPac Holdings joined the Science Based Targets initiative (SBTi) in 2022 and expanded the decarbonization pledge to attain net zero emissions by 2050. In 2022, the Company pledged to cease financing for new thermal coal and unconventional oil & gas projects and will not renew the existing projects, and expanded the scope of the decarbonization policy on July 1, 2023 to include investment and lending of thermal coal mining and power generation, and received the validation for SBTs from the SBTi in January , 2024. Please refer to SinoPac Holdings' official website for details of the pledge .

Percentage of Consolidated Net Revenues from Main Business Segments of SinoPac Holdings in 2023



Note 1 : It includes project financing and investment bank financing businesses.
Note 2 : It includes custody activities.
Note 3 : Fixed income underwriting accounted for approximately 0.09% of the consolidated net revenue of the main businesses of SinoPac Holdings. There was no securitization business.
Note 4 : Others include deposits and financial market businesses for which the ratio of net income for the year was -13.73% and was not included in the calculation of the ratios of main businesses in this table.

SinoPac Holdings Sustainable Finance Management Framework



Industry and Activity Guidelines

Prohibit investment / lending to controversial industries	• Controversial industries include pornography and controversial arms.
Careful evaluation of sensitive industries and sensitive economic activities	• Sensitive industries: Industries with high carbon emissions such as the coal-fired power generation industry, oil and gas industry, cement and concrete manufacturing industry, and iron, steel, other metal manufacturing industries. In 2023, oil and gas, metal and mining, power generation industry, chemical materials manufacturing industry, agriculture, forestry, fishery, and animal husbandry, and traditional manufacturing - manufacturing of automobiles and motorcycles/metal and manufactures thereof were added as industries with high climate risks. • Sensitive economic activities: Include gambling, industries with food safety concerns, hazardous radioactive materials, genetic engineering not used for medical purposes or detrimental to human development, and the manufacturing of non-adhesive asbestos fibers and polychlorinated biphenyls.
Business restrictions in compliance with the Decarbonization policy	• The Company has since July 1, 2022 ceased financing for new thermal coal and unconventional oil & gas projects and will not renew the existing projects. We expanded the scope of the decarbonization policy July 1, 2023 to include investment and lending of thermal coal mining and power generation.
Guidelines for high carbon emission industries	• Incorporate ESG performance and information on carbon emissions of high carbon emission industries (e.g., coal-fired power generation, oil and gas industry, cement and concrete manufacturing, steel, iron, and other metal manufacturing industries) into the investment and lending assessment process. • Proactively engage with related companies, and carefully evaluate whether to continue lending activities if the customer fails to establish any transition plans after communication.

Engagement and Management Guidelines

Voting policy	• Support in principle: Proposal proposed to achieve positive goals of environmental, social, governance or sustainable operations. • Oppose in principle: Resolutions that violate major climate-related issues. • Oppose in principle or abstain from voting: The issuing company's problematic operations damage shareholders' rights and interests or imposed fines by the competent authority due to violations of ESG.
Policy for third-party managed assets	• The "Stewardship Policy" specifies that if an external professional service provider is commissioned to carry out a portion of stewardship activities, SinoPac Holdings' subsidiaries will ensure the service provider follows its instructions through communication, an agreement, or supervision, to protect shareholders' rights and interests. The service provider will be disclosed in accordance with regulations and does not relieve SinoPac Holdings' subsidiaries from its responsibilities to shareholders. • Domestic securities investment trust institutions that SinoPac works with are required to sign a statement of compliance with the "Stewardship Principles for Institutional Investors". Offshore fund asset management institutions are required to comply with the Principles for Responsible Investment.
Engagement with other companies and shareholder activism	• Send Sustainability Questionnaire on "Environment, Social and Corporate Governance (ESG)" Issues to investee companies to learn about their awareness of international climate-related and biodiversity initiatives and enhance their current state of management and targets for human rights and sustainability issues. • Engage with investee companies on ESG issues they are unfamiliar with. Reference the Taiwan Sustainable Taxonomy for credit businesses and encourage businesses to fill out the Corporate Self-Assessment Questionnaire of ESG Information of Joint Credit Information Center (JCIC) to support sustainable development and carbon reduction transition of businesses.

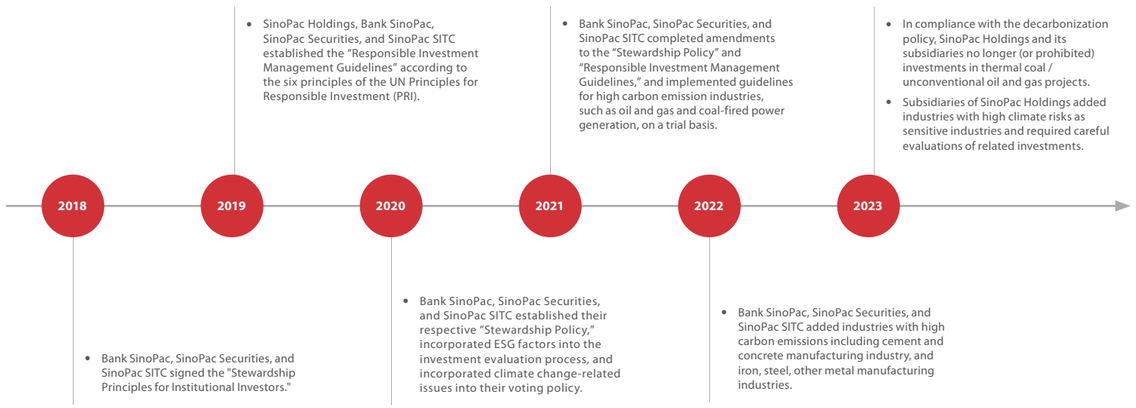
3.1.2 Responsible Investment

3.1.2.1 Responsible Investment Policy

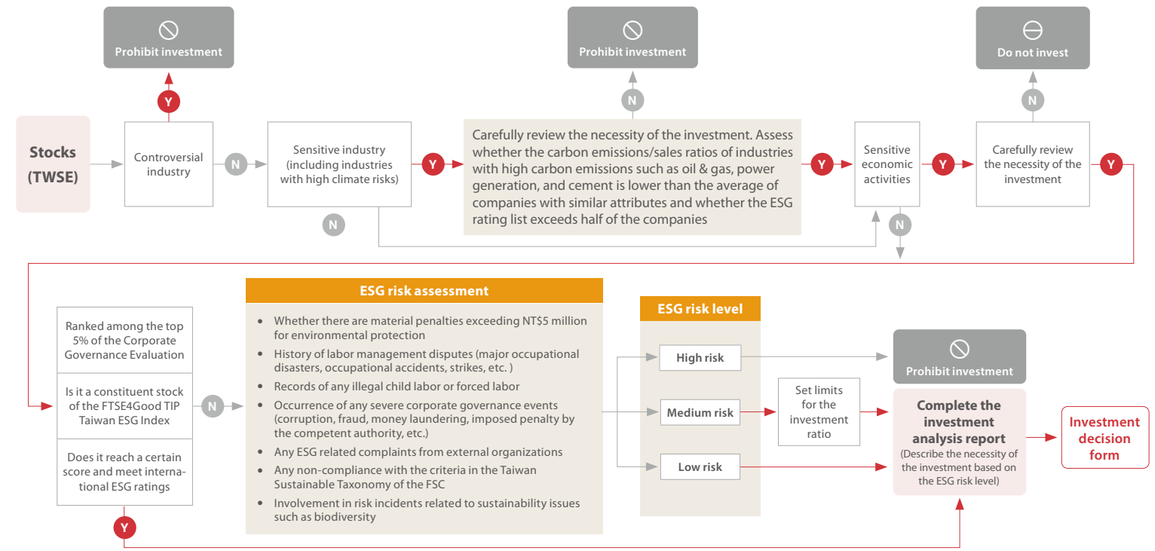
SinoPac Holdings actively complied with the six principles under the United Nations "Principles for Responsible Investment (PRI)" in 2019 and established the "Responsible Investment Management Guidelines" for the group's investment, asset management, and wealth management business. The Guidelines are applicable to the management of asset classes and consulting services, including listed equity, fixed income, private equity, infrastructure, property, and derivatives. SinoPac Holdings incorporates ESG issues and related risks into the decision-making process of related operations and established verification mechanisms for the prohibition on investment in controversial industries and careful evaluation of investments in sensitive industries/economic activities. SinoPac Holdings incorporates different ESG factors in each phase of investment. Before investing, the Company screens and assesses the ESG risks of different assets (e.g., Taiwan stocks, overseas stocks, and corporate bonds) and observes the company's ESG performance, and ESG ratings by external professional rating institutions to determine the risk rating of the investment. In 2023, the Company follows the decarbonization policy and ceased financing for thermal coal and related project investments to gradually deep the implementation of responsible investment.

Bank SinoPac enhanced the investment process guidelines for proprietary investments and added requirements for evaluating whether the client has set SBTs or received validation and whether the client has disclosed data on carbon emissions in 2023. SinoPac Securities evaluates the total carbon emissions and the carbon emissions per unit of revenue in accordance with the guidelines of high climate risk sector for assessing industries with high carbon emissions, and prohibits investments in industries with emissions above the 80th percentile in total carbon emissions of the same industry and no signs of reduction in carbon emissions per unit of revenue each year.

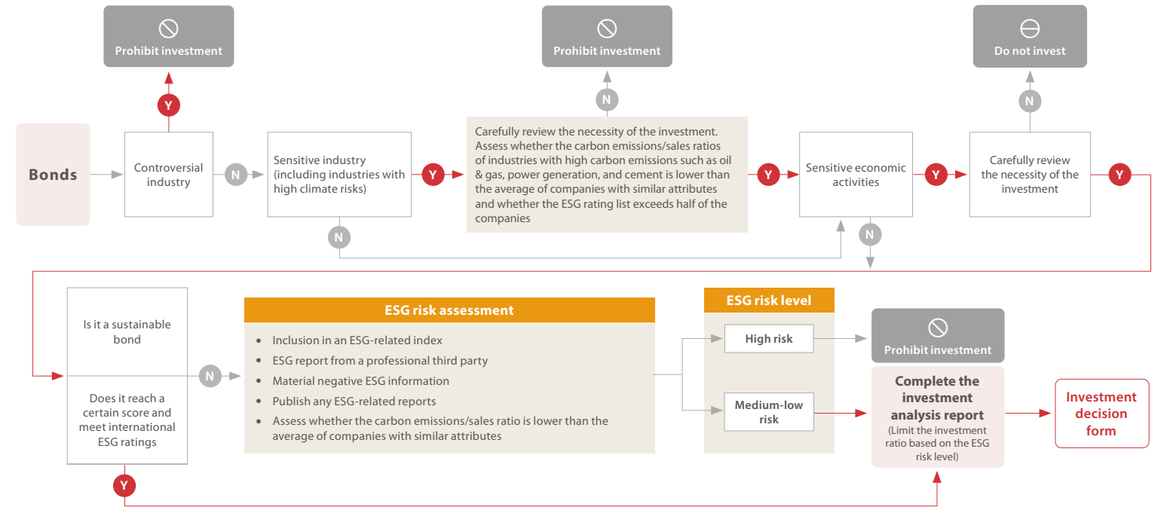
Development of Responsible Investment by SinoPac Holdings



SinoPac Holdings Responsible Investment Process (SinoPac SITC as an example) — Stocks



SinoPac Holdings Responsible Investment Process (SinoPac SITC as an example) — Bonds



Asset Management Business

SinoPac Holdings' subsidiary SinoPac SITC operates the asset management businesses, which include active investments and passive investments. SinoPac SITC has no externally managed assets. SinoPac SITC incorporates ESG factors into the investment process in fund utilization and established the "SinoPac SITC ESG Investment and Risk Management and Information Disclosure Policy" referred to the United Nations' "Principles for Responsible Investment" as well as "Stewardship Principles for Institutional Investors" and based on the "Sustainable Finance Policy" and the "Responsible Investment Management Guidelines" of SinoPac Holdings. The Guidelines are used as guidance for promoting and implementing responsible investment and risk management. The risk management unit reviews the active ESG risk profile of active funds and discretionary account portfolios. It performs risk monitoring, tracking, and reporting based on ESG risk assessment results, performs monitoring on each business day, and provides risk control alerts on the following business day. It also tracks the implementation of response measures. It optimizes and adjusts passive investment accounts based on the approved product specifications. It provides a risk management report to the Risk Management Committee of SinoPac SITC each month.

Asset Management Business ESG Investment Management Policy

Incorporation of ESG factors into the investment process

Classify stocks based on the ESG risk assessment checklist when organizing investment and asset management business capital utilization. Incorporate ESG issues into the investment analysis and decision-making process. For instance, the investment analysis report for active funds and discretionary account portfolios must specify whether the companies are part of controversial or sensitive industries (including industries with high climate risks) or engage in sensitive economic activities. For passive investment accounts with related ESG indicators, implement suitable increase or decrease in positions based on ESG rating mechanisms.

ESG risk assessment factors

Environmental factors	Social factors	Governance factors
• Incorporate high climate risks and climate change (carbon emissions) issues into evaluation. Implement careful evaluations and explain the necessity of investments in the industry or company. If the target is part of an industry with high carbon emissions, review whether the company's shares are held by funds that meet the criteria of Article 9 of SFDR, or whether its carbon emissions/sales ratio is lower than the average of companies with similar attributes. • Incorporate the "Taiwan Sustainable Taxonomy" of the FSC into consideration (e.g., activities with substantial contributions to climate change mitigation) • Biodiversity sustainability issues (including conservation of species and habitat maintenance) • Environmental-related penalties or disciplinary actions	• Major occupational disasters, occupational accidents • Protests and strikes by stakeholders • Illegal child labor, forced labor	• Legal representative implicated in dereliction of duties, corruption, fraud, or breach of trust and indicted. • Major incidents such as fraud, non-arm's length transactions, or tunneling of assets • Major incidents such as illegal political donations or money laundering • Ordered to suspend operations by the competent authority

Exclusions

- Prohibit investments in controversial industries such as pornography and controversial arms.
- Cease investments in thermal coal and unconventional oil and gas related projects.
- Implement evaluations based on the stock and bond ESG risk assessment checklist. Investments are prohibited if they are assessed as high ESG risk.

Asset class specific guidelines

Sets risk classification mechanisms for investments in domestic stocks, overseas stocks, and bonds.

- Stocks: Evaluation based on E, S, G, and external incidents
- Bonds: Evaluation based on whether it is a constituent of ESG index bonds, ESG information from third-party institutions, and public information

Sector specific guidelines

- Require to carefully evaluate and explain the necessity of investments in sensitive industries (including industries with high climate risks) such as oil and gas, power generation industry, metal and mining, chemical materials manufacturing industry, agriculture, forestry, fishery, and animal husbandry, traditional manufacturing - manufacturing of automobiles and motorcycles, and metal and manufactures thereof.
- For industries with high carbon emissions such as oil and gas, power generation industry, and cement industry, review whether the company's shares are held by funds that meet the criteria of Article 9 of SFDR, or whether its carbon emissions/sales ratio is lower than the average of companies with similar attributes. Only those that meet related conditions may receive investments.

Outcome identification and measurement

- SinoPac SITC established the " Management Standards of Climate-Related Risks and Opportunities" in October 2023. It requires the Company to adopt the Global GHG Accounting and Reporting Standard for the Financial Industry published by the Partnership for Carbon Accounting and Financials (PCAF) as the methodology for calculating financed emissions, and regularly implement and review the financed carbon emissions and carbon reduction targets of the investment portfolio, will continue to establish various mechanisms for internal inventories operating procedures.
- SinoPac SITC's list of domestic stocks eligible for investment in 2023 included 340 companies which met the specified criteria of any of the top three ESG rating institutions (S&P Global ESG Score, Sustainalytics, and MSCI ESG) and 286 companies in which SinoPac SITC has already invested. The number of companies increased by 114 companies and 51 companies compared to 2022.
- By the end of 2023, 75.7% of the investment targets of SinoPac SITC active funds for Taiwanese stocks were listed in the top 35% of the "Corporate Governance Evaluation" conducted by the Taiwan Stock Exchange Corporation. In terms of the transaction counterparties in the year was 72.3%. The ratio has increased compared to 2022.

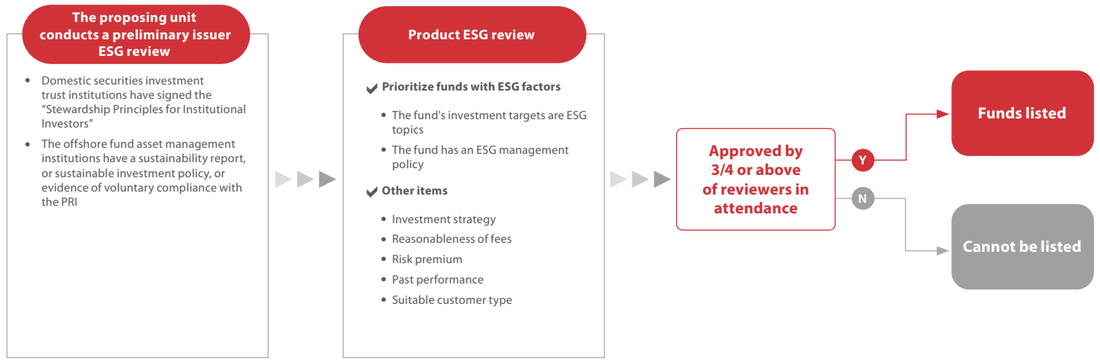
Incorporating ESG Factors into the Wealth Management Product Review Process

SinoPac Holdings' wealth management product review process includes ESG principles in the evaluation items for product issuers and incorporates ESG factors into the product review process. After comprehensively evaluating other items, the Company prioritizes products with ESG-related investment concepts or with relatively positive impact, to fully implement the spirit of responsible investment and stewardship. ESG funds are promoted and available on the marketing webpage of Bank SinoPac and the ESG fund section of SinoPac Securities.

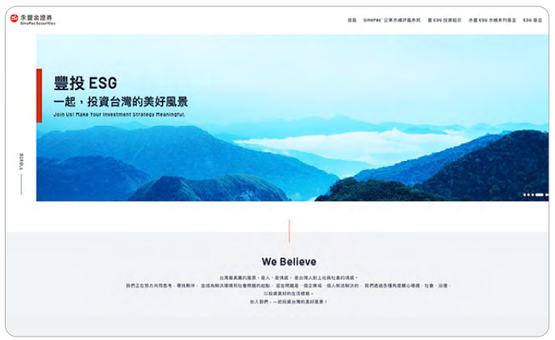
All the 35 and 25 domestic securities investment trust companies that offer funds of Bank SinoPac and SinoPac Securities, respectively, have signed the statement of compliance with the "Stewardship Principles for Institutional Investors" in 2023. Furthermore, all 38 of the offshore fund asset management institutions that Bank SinoPac (33) and SinoPac Securities (5) are working with are following the Principles for Responsible Investment (PRI).

SinoPac SITC conducts annual evaluations of the ESG investment strategy, screening standards, ESG screening standards of constituent stocks of performance indicators, and analysis of variance. For new ESG-themed funds, universally recognized ESG taxonomy and disclosure standards will be adopted to evaluate and set sustainable investment goals for the funds. Please refer to 3.2.3.2 Sustainable Investment Products for details on the results of SinoPac Holdings' sustainable investment products in 2023.

SinoPac Holdings Wealth Management Product Review Process



ESG and Sustainable investing area on Bank SinoPac wealth management website



SinoPac Securities Rich Club ESG website

3.1.2.2 Stewardship

Bank SinoPac, SinoPac Securities, and SinoPac SITC have signed the "Stewardship Principles for Institutional Investors", and established "Stewardship Policy" respectively, incorporating ESG factors into the investment evaluation process, and incorporating climate change related issues into their voting policy. SinoPac SITC amended the "SinoPac SITC Stewardship Policy" in 2022 to strengthen the responsibilities for ESG investment and risk management of the Board of Directors and senior executives. It proposed amendments to the voting and engagement policy in 2023 and completed the amendments for voting and engagement related standards in 2024.

Bank SinoPac	SinoPac Securities	SinoPac SITC
Stewardship Policy	Stewardship Policy	Stewardship Policy
Stewardship Report	Stewardship Report	Stewardship Report

Post-investment Stewardship Process

For post-investment management, SinoPac Holdings complies with the voting policy under the "Stewardship Policy" and opposes any resolutions that violates major climate and social related issues or related resolutions when corporate governance incidents have occurred in principle. The Company regularly engages investees to determine potential ESG-related issues that they may face and examines their ESG-related performance.

Aspect of assessment	Post-investment stewardship	
	Voting	Regular review
Financial	• Oppose in principle on the problematic operations of the investee company's management (such as managing disputes) that may potentially damage the company or shareholders' rights and interests.	• Analyze the investee company's current business results, including financial structure, solvency, operational ability, and profitability, and track major news events.
Non-financial	• Support in principle: Proposals to achieve positive goals of environmental, social, governance or sustainable operations. • Oppose in principle: Proposals that violate significant climate-relevant issues (such as investments that substantially pollute the environment, the expansion of highly polluting production lines, and issues causing irreversible and permanent impacts on the overall natural environment and ecosystem). • Abstain from voting or oppose: If the investee company was imposed any fines by the competent authority due to violations of ESG. • Abstain from voting or oppose: The election of directors and related resolutions when the corporate governance disputes occurred.	• Examine the ESG rating of existing positions each year. Where an investee fails to meet any evaluation standard or does not have any rating, fill out the "ESG risk assessment checklist". If the investee is assessed as high-risk, the Company is required to dispose of all shares held within a specific period; if it is assessed as medium-risk, the Company shall set a limit on the percentage of investment; if it is assessed as low-risk, carefully review the necessity of the investment. • Track ESG evaluation results, records of fines imposed for ESG violations, track important ESG issues, and urge greater importance to be attached to ESG issues.

Stewardship Policy

SinoPac Securities Investment Trust Company Stewardship Policy

Policy elements	Engagement		Voting	
Asset under management (AUM)	Active investment 100%	Passive investment 100%	Active investment 100%	Passive investment 100%

Engagement policy summary

Stewardship objectives	When SinoPac SITC engages in securities investment trust businesses, discretionary investment businesses, and other related business approved by the competent authorities, it shall, based on its role as an institutional investor, help fund providers raise funds to achieve its investment objectives based on its role in the investment chain and the nature of business. As the funds under its management have a significant impact on the market and investees, SinoPac SITC shall, when making investments or performing its duties as a trustee, continuously monitor the business operations of the investees to protect the long-term interests of the fund providers (including customers, beneficiaries, and shareholders). It also participates in the corporate governance of investees by attending shareholders' meetings, exercising voting rights, and appropriately engaging in dialogue and interaction with the management of the investees. SinoPac SITC has signed a statement of compliance with the "Stewardship Principles for Institutional Investors" and aims to enhance the value of investment with stewardship actions. It takes ESG issues into consideration (e.g., environmental protection, social responsibility and labor rights, and corporate governance) with the goal of enhancing the long-term interests of customers, beneficiaries, and shareholders.
Engagement guidelines for climate change	SinoPac SITC will give priority for engagement with the investee company that is subject of sensitive industries (i.e., high climate risk industries) and has been subject to sanctions (suspension/closure/ordered to cease operations) due to climate change factors in the past 12 months by regulator.
Engagement guidelines for biodiversity	SinoPac SITC will give priority for engagement with the investee company involved in biodiversity sustainable management issues such as biodiversity (including species conservation and habitat conservation) in the past 12 months resulting in relevant risks.
Engagement guidelines for governance issues	SinoPac SITC will give priority for engagement with the investee company occurred major corporate governance events: the person in charge violated the law (such as dereliction of duties, corruption, fraud, embezzlement, breach of trust, etc. and prosecution); internal control frauds, irregular transactions and hollowing out assets, illegal political donations, money laundering; Investee compony was punished by regulator until suspension from work and business in the past 12 months.
Engagement guidelines for social issues	SinoPac SITC will give priority for engagement with the investee companies occurred illegal employment of child labor, forced labor, major occupational disasters, protests by interested parties, strikes, etc. in the past 12 months.
Prioritization approach for engagement targets and engagement topics	SinoPac SITC determines the priority engagement targets based on the following factors: 1. Company geographical location/market: Prioritize the Taiwan market which accounts for the highest proportion of investment positions. 2. Risk exposure: Where the fund holding period is more than one year and accounting for more than 0.5% of the company's outstanding shares. The investee companies occurred mentioned situations related to climate change/biodiversity/governance issues/social issues in the past 12 months, will be given priority for engagement.
Position on collaboration on stewardship	If investee companies are likely to violate principles in a serious manner or harm the long-term value of the company's clients, beneficiaries and shareholders on certain issues, SinoPac SITC will inquire the management of the investee companies about the progress of handling from time to time and may seek to express the demands with other investors.
Escalation strategy if engagement is unsuccessful	If the engagement counterparty fails to respond proactively to the inquiries or demands, fails to propose an improvement plan, or fails to complete the improvement actions as scheduled, SinoPac SITC will, depending on the situation, vote against the relevant proposals or abstain from voting at the shareholders' meeting, cooperate with other investors to raise proposals of shareholder meeting or request jointly, reduce some or sell out all holdings, or help promote positive improvements to the engagement party by other means.

Voting policy

Definitions of criteria for ESG resolutions	SinoPac SITC votes in support or in opposition to or abstains from voting on proposals proposed by the shareholders' meetings of investee companies based on whether the proposals have positive impact or significant harm on ESG. • ESG positive impact: Proposals proposed by investee companies to achieve positive goals of environmental, social, governance or sustainable operations (e.g., strengthen corporate governance, climate change transition actions, greenhouse gas reduction, remuneration policies, employee care, etc.) • Significant ESG harm: The investee company has had corporate governance disputes or the content of the proposal obviously violates significant climate-relevant issues or significant social-relevant matters (e.g., unsound operations by the management that damage the rights and interests of the company or shareholders, investments that substantially pollute the environment, forced labor, or major occupational disasters, etc.)
Decision-making process for supporting shareholder resolutions	SinoPac SITC conducts evaluations and analyses with the manager and researchers responsible for related industries before exercising voting rights. They record the decision-making procedures and results of the exercise in writing. Whenever necessary, they may communicate with the management of a public listed company before the shareholders' meeting. Once the stocks hold for more than one year and holding position more than 1% of the investee's outstanding shares, the fund manager or the research team should communicate with the management team or operation members of the company before the shareholders' meeting and hold the research meetings to evaluate how to exercise voting rights.
Voting guidelines on environmental factors	Support in principle: (1) climate transition proposals with reasonable integrity and (2) plans to reduce greenhouse gas emissions from operations and the supply chain. Oppose in principle: Proposals that violate significant climate-relevant issues (such as investments that substantially pollute the environment, the expansion of highly polluting production lines, issues causing irreversible and permanent impacts on the overall natural environment and ecosystem.) Those punished by the competent authorities will be evaluated to be abstained or voted against them.
Voting guidelines on social factors	Support in principle: (1) Issuance of employee stock options certificates below market price, (2) Treasury stocks transferred to employees with lower than the actual average repurchased price, and (3) Proposals on taking reasonable care of employees and fulfilling corporate social responsibilities. Oppose in principle: Those violating significant social-relevant matters (such as use of illegal child labor or forced labor, major occupational disasters, occupational accidents, strikes, or protests by stakeholders) and is penalized by the competent authority, SinoPac SITC will evaluate whether to abstain from voting or vote against such resolutions.
Voting guidelines on governance factors	Support in principle: Proposals and corporate financial reports by investee ranking among top 5% in the annual Corporate Governance Evaluation, including support for: (1) Proposals for payment of dividends at a reasonable rate, capital increase, capital reduction to make up for losses, or refund of shares, (2) Elections of the Board of directors by nomination system, and (3) Establishment of an audit committee to replace supervisors. For proposals of directors' election in which the corporate governance disputes occurred or the company's management has unsound operations and likely to damage the rights and interests of the company or shareholders, they will be abstained from voting or voted against them.
Requirements that external service provider voting recommendations are consistent with internal voting guidelines	Where if SinoPac SITC entrusts other professional service institutions (such as equity research agencies or custodian banks) to perform some stewardship activities (such as providing voting suggestion or proxy votes), it will ensure the entrusted service institutions comply with requirements and protect the rights and interests of clients and beneficiaries through communication, agreement or supervision.
Percentage of ESG resolutions supported in the last year	

Category	Quantity	Percentage of support
Environmental resolutions (E)	0	-
Social resolutions (S) (e.g., employee compensation)	45	100%
Governance resolutions (G) (e.g., Directors and Supervisors and amendment of policies and regulations)	1,594	98.93%
ESG resolutions	1,639	98.96%

Note: No Environmental resolutions in 2023.

Subsidiaries of SinoPac Holdings monitor the operations of investees by attending shareholders' meetings, exercising voting rights, and engaging senior executives. The companies disclose the Stewardship Report each year and use e-mails, telephone interviews, distribution of questionnaires, or onsite plant visits to pay attention to related ESG opportunities and risks of investees such as the just transition, specific measures and commitments for energy conservation and carbon emissions reduction, and sustainable development plans and disclosures for ESG. If an investee company is penalized for violating ESG-related regulations and fails to implement effective improvements, SinoPac Holdings shall gradually reduce or dispose of investment in the company.

SinoPac Holdings and subsidiaries have continued to send questionnaires on climate change issues to investee companies since 2020. In 2023, the topics of concern were expanded to biodiversity, social and governance aspects. The Sustainability Questionnaire on "Environment, Social and Corporate Governance (ESG)" Issues were sent to 188 companies and 74 responses were received with a response rate of 39%. SinoPac Holdings will continue to collect the opinions of investee companies and will include issues that investee companies are concerned about or relatively unfamiliar with into ESG forums, in hopes of using the financial industry's impact to achieve sustainable development together with companies.

Summary of the Questionnaire Results of ESG Sustainability Issues in 2023

Engagement with investees in 2023

Method	Bank SinoPac	SinoPac Securities (Note 2)	SinoPac SITC	Total (number of times)
Number of engagements for information on ESG issues (Note 1)	10	1	665	676
Attendance in shareholders' meetings	145	1,133	130	1,408
Participation in institutional investors' conferences	51	62	48	161
Sending questionnaires on sustainability issues	40	48	100	188
Others	--	Regularly shared training courses related to ESG evaluations with institutional investors and hosted a total of 17 sessions	3 Phone calls (or video conference) 492 on-site visits	--

Note 1: Bank SinoPac and SinoPac Securities have targeted their investees of long-term proprietary investments as the main targets of engagement on ESG issues. SinoPac Securities implemented onsite visits to exchange ideas on financial and non-financial (e.g., ESG) issues. Bank SinoPac mainly directed questions regarding carbon emissions at companies with high carbon emissions. It engaged exporters on the management of green supply chains and voluntarily planned development discussions with SMEs before the requirements in government regulations are implemented. The asset management business of SinoPac SITC engaged investees to discuss their ESG policies and implementation status.

Note 2: SinoPac Securities attended shareholders' meetings of investees (e.g., ECOVE Environment Corp., WPG Holdings Ltd., and Quanta Computer Inc.) to communicate on ESG issues including the settings of net zero targets and implementation status, identification and response to climate change risks and opportunities, and use of green energy. SinoPac Securities also attended the institutional investors' conferences of Primax Electronics Ltd., Arcadyan Technology Corp., Taiwan Secom Co., Ltd., Delta Electronics Inc., and LITE-ON Technology Corp. to inquire about carbon reduction and net zero targets and sustainable development plans. The response from investee companies included greenhouse gas inventories, decrease in carbon emissions, and continuous support for international initiatives including RE100/EV100/EP100.

SinoPac SITC Engagement Outcome Example

Engagement targets

A listed semiconductor packaging and testing company with shares held by SinoPac SITC funds in 2023.

Engagement objective

The company is part of the packaging and testing industry with relatively high levels of energy consumption. SinoPac SITC implements long-term monitoring, supervision, and onsite visits based on ESG regulations to see if it has set carbon reduction targets and taken specific actions for the low-carbon transition to reduce energy consumption.

Engagement process

Researchers of SinoPac SITC visited the company to review the smart factory improvement status and whether the completeness of documents submitted for review comply with the ESG regulations.

Engagement outcome

The company continued to replace old equipment and adopted more than 2,000 automation equipment with the aim of building 46 smart factories by 2023, which will help reduce energy consumption and increase production capacity while reducing the health risks of overtime work by employees, increasing product margins and profits, and benefiting shareholders. Overall, the company's ESG progress have met requirements. After evaluations, SinoPac SITC decided to continue to hold its shares.

3.1.2.3 Responsible Investment Results

SinoPac Securities won the "Excellence Award" for Institutional influence in Securities Company in the 2023 Taiwan Sustainable Investment Awards (TWSIA). SinoPac Securities and SinoPac SITC were both listed in the "List of companies with better institutional investor stewardship disclosure" announced by Taiwan Stock Exchange Corporation for three consecutive years.

SinoPac SITC has gained recognition from internal and external stakeholders for its implementation of responsible investment and stewardship in recent years, and became the first medium or small securities investment trust company to obtain the "Investment Encouragement Plan" of the FSC in 2021. In 2023, SinoPac SITC received the《Benchmark》 Fund of the Yeas Awards : Impact Thematic - Sustainable Investing -Outstanding Achiever", "Fund of the Years Awards: Impact Thematic - Sustainable Investing ETF - Outstanding Achiever", and received the "Excellence Award in the Investment Trust Group" in the Taiwan Sustainable Investment Awards for the second consecutive year.

SinoPac Holdings enhanced the ESG investment procedures, established sustainable strategic investment positions, and engaged with investees. The Company also focus on sustainable investment, target screening, and impact and benefit analysis on all levels to become a benchmark for sustainability in the finance industry.

Results of SinoPac Holdings' Own Assets ESG investments in 2023

Bank SinoPac

Bank SinoPac included the ESG policy of corporate bond issuers into the evaluation when determining the ceiling limit on bond investments in its banking book. Its purpose is to understand whether the investee company has established related policies and is actively engaged in ESG actions. Bank SinoPac also actively invests in green bonds to assist green industries in obtaining capital and use the capital for the development of green projects such as the new investments in 2023 in green bonds issued by TSMC and Oversea-Chinese Banking Corporation Ltd. of Singapore. The total balance of investments in green bonds was NT$9.807 billion in 2023.

Bank SinoPac also invested in other sustainable bonds such as ESG bonds issued by Shinhan Bank Co. Ltd. for social welfare and sustainable development bonds issued by Korea Expressway Corp. for investment in energy and zero-pollution equipment. The balance of investments totaled NT$9.843 billion in 2023.

SinoPac Securities

SinoPac Securities utilized its own assets to invest in equity and has invested in 19 companies that comply with the spirit of ESG and disclose information on ESG, including Chunghwa Telecom Co., Ltd., Sino-American Silicon Products Inc., and Taiwan Mobile CO., LTD. SinoPac Securities also invests in green bonds and the investments in 2023 totaled NT$462 million. The green bonds were used to promote low-carbon and sustainable economy, development of renewable energy and energy technologies, conservation of agricultural and forestry resources, conservation/purification/recovery/recycling and reuse of water resources, and green and clean transportation.

SinoPac Securities Venture Capital has invested in 7 companies that specialize in pollution prevention and solar energy. The balance of investments in green industries totaled NT$154 million in 2023.

SinoPac Venture Capital

SinoPac Venture Capital completed 1 green industry investment in 2023. The main business of the target company was innovative contract design and manufacturing service (CDMS) and it specializes in research and development of electric vehicle technology, supply chain management, and vehicle management. SinoPac Venture Capital continues to invest in industries that support net-zero such as electric vehicles, green energy, and recycling, with the aim of promoting the development of net-zero industries through capital. In addition, SinoPac Venture Capital continues to cultivate and support cultural creative industries in related activities and continues to support the development of culture-related art and creative industries in Taiwan.

3.1.3 Responsible Lending

Development of Responsible Lending by SinoPac Holdings

2014
- The spirit of the Equator Principles is incorporated in corporate loan guideline and procedures, and are used as the standard for reviewing project financing.

2018
- All loans are screened for ESG risk factors, and ineligible subjects and the limit on loans are specified in guideline and procedures.

2019
- Established the "Responsible Lending Management Guidelines" and exclusion policy to avoid lending to controversial industries.
- Monitored the risks and opportunities brought by climate change to clients and their response strategies.

2020
- Signed the Equator Principles.
- Provided recommendations for ESG risks of "high carbon emission" industries/activities, encouraged project financing clients to provide data on GHG emission intensity, or communicated with and engaged stakeholders on climate change issues, in order to gain stronger resilience.
- Further strengthened assessments of human rights, biodiversity, and climate change risks of project financing in accordance with Equator Principles Version 4 (EP4).

2021
- Participated in the "Taiwan Taxonomy Regulations" trial implementation workshop of the FSC.
- For cases submitted to the "Board Credit Committee and Credit and Investment Committee" (i.e., the case reaches a certain amount and above), the Company disclosed the clients' ESG risk information and improved action plans, providing the basis for the members of committees.
- Business units are required to explain Bank SinoPac's ESG philosophy to clients, and urge them to agree to and abide by notices for environmental protection, social responsibility, and climate change stated in the "Lending and Transaction Application Form."
- Established the "Environmental and Social Risk Team" to facilitate the risk assessment and review of Equator Principles cases and submitted the report for first year after the adoption of the Equator Principles.

2022
- Amended the "Responsible Lending Management Guidelines" to include positive performance indicators for green loans and social responsibility loans.
- Amended the "Business Manual of Corporate Banking - The Equator Principles" for the "Environmental and Social Risk Team" to take charge of the environmental and social risk review of Equator Principles cases.
- Amended the exclusion policies for "project financing for thermal coal and unconventional oil & gas" which became effective in July 2022.

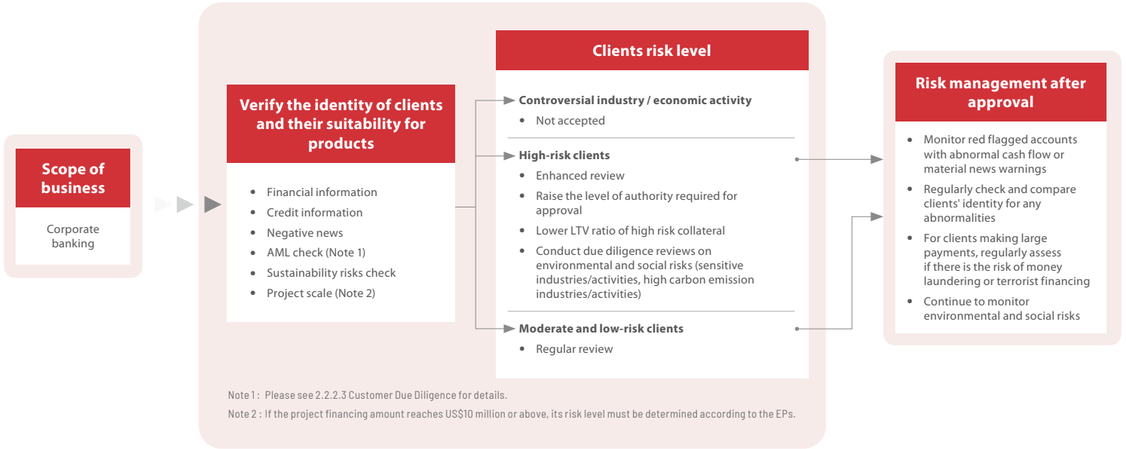
2023
- Included related regulations for the decarbonization policy in the "Responsible Lending Management Guidelines."
- Expanded the scope of the decarbonization policy July 1, 2023 to include investment and lending of thermal coal mining and power generation.
- Amended the "Business Manual of Corporate Banking" to advise business units to reference the "Taiwan Sustainable Taxonomy" for credit businesses and planning loan products. Encouraged clients to fill out the "Corporate Self-Assessment Questionnaire of ESG Information" of Joint Credit Information Center (JCIC) to support sustainable development and carbon reduction transition of businesses.

3.1.3.1 Corporate Banking Lending

KYC and CDD Processes for Corporate Lending

SinoPac Holdings incorporated ESG factors into its Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures, and implements classified management of corporate banking clients, carrying out reviews and management operations by risk level. Furthermore, the Company has enhanced ESG risk reviews for large project financing and continues to monitor environmental and social risks after approval.

KYC and CDD Processes for Corporate Lending



Bank SinoPac established the "Responsible Lending Management Guidelines" and established the "Guidelines for Sustainability Linked Loan Service" in 2022 to include ESG factors in the credit extension procedures. It also provides sustainable products such as green loans, social responsibility loans, and sustainability-linked loans for positive financing.

Bank SinoPac implements KYC and CDD mechanisms for all corporate loans and conducts ESG risk assessments and reviews ESG factors of the clients. First-line corporate banking personnel explain Bank SinoPac's ESG philosophy to clients and urge them to agree to and abide by notices for environmental protection, social responsibility, and climate change in the "Lending and Transaction Application Form." For cases submitted to the Board Credit Committee and Credit and Investment Committee (i.e., the application reaches a certain amount and above), the Company disclosed the clients' ESG risk information and improvement action plans, providing the basis for the approval or rejection of cases. SinoPac Holdings has established the exclusion list of industries with high ESG risks (e.g., pornography, controversial arms) and enhanced ESG risk analysis for sensitive industries/economic activities (e.g., gambling, those with issues in food safety, toxic radioactive substance, non-medical and hazardous genetic engineering, non-adhesive asbestos fiber and polychlorinated biphenyls (PCBs) manufacturing). ESG factors were included in the "Risk Information Disclosure Inspection Items for Credit Investigations" of the credit review system. They include the following factors:

Environmental risks	Air, soil, and water pollution, waste treatment, biodiversity and ecosystem protection, energy management, compliance with environmental regulations, etc.
Social risks	Occupational safety and health, human rights issues, supplier management, community relations, etc.
Governance risks	Corporate governance, ethical corporate management, compliance, risk management, etc.
Climate change risks	Physical risks arising from impairment of assets and business interruption due to short-term climate anomalies and extreme climate events or long-term climate change. Transition risks arising from changes in policies, laws, technologies, and markets in response to low-carbon economic trends.

In the process of reviewing ESG factors, if ESG risks are checked in "Risk Information Disclosure Inspection Items for Credit Investigations," in the credit investigation report, Bank SinoPac will carry out ESG engagement for all items, look into the situation, and assist clients in improving. Bank SinoPac will also evaluate and formulate mitigation and compensation measures in response. If the client's situation is severe or unable to make improvements over a long period of time, then it must carefully evaluate whether to continue doing business with the client. For details on incorporating ESG factors into corporate banking lending, please refer to the official website of SinoPac Holdings.

SinoPac Holdings Corporate Banking Lending ESG Review in 2023

Involves sensitive industries/ economic activities (including thermal coal, unconventional oil & gas, and tobacco)	Conditionally approved after engagement		Rejected	
	Number of cases	Balance as of December 31, 2023	Number of cases	Amount
	1	NT$2.677 billion	7	NT$4.748 billion

Bank SinoPac encourages clients to develop transition plans and specific action plans to increase the awareness of climate change and environmental risks, promote social goals for sustainable development, and establish agreements to take actions with clients. The action plans are as follows:

- Bank SinoPac focuses on whether clients assess and respond appropriately to the risks and opportunities of climate change and natural capital, whether they understand the impact of climate change and loss of biodiversity (including conservation of species, habitat preservation, and environmental sustainability) on their financial performance, and whether they have taken response measures.
- Bank SinoPac communicates and collaborates with clients in industries with high climate risks (including industries with high carbon emissions) and advises them to provide data on GHG emission intensity and low carbon transition strategies, and invest in green loans.
- Bank SinoPac implements the United Nations Sustainable Development Goals for social development and encourage clients to engage in socially responsible lending for reducing inequality, providing basic life necessities, or providing suitable work to create positive relationships, and avoid and resolve negative impact on stakeholders. The Company encourages them to make positive contributions to social goals without harming the environment.
- Bank SinoPac actively directs funds to sustainable economic activities and encourages clients to adopt the "Taiwan Sustainable Taxonomy", fill out the Corporate Self-Assessment Questionnaire of ESG Information of Joint Credit Information Center (JCIC), and plan carbon reduction and transition or investment projects. The relevant information of the collected Questionnaires has been submitted to the Joint Credit Information Center in accordance with regulations. Bank SinoPac will follow timeline set by the competent authority to disclose the relevant information or the sustainability level of "Taiwan Sustainable Taxonomy."

Sustainability-linked corporate loans

Bank SinoPac announced the implementation of Sustainability Linked Loans in March 2022. The Company established the "Guidelines for Sustainability Linked Loan Service" according to the five core aspects of the Sustainability Linked Loan Principles (SLLP) established by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications and Trading Association (LSTA), along with reference to the GRI Standards of the Global Reporting Initiative (GRI) to provide preferential interest rates for encouraging corporate clients to meet the agreed energy conservation and low-carbon emission targets, improve performance in the Corporate Governance Evaluation, and other sustainability performance targets.

In 2023, Bank SinoPac collaborated with the leading tech company LITE-ON Technology in their first NT$3 billion green house sustainability-linked loan. In addition to referencing multiple ESG evaluations, it incorporated the green building label as a metric for interest rate discounts for the first time to take real actions to help corporate partners achieve carbon reduction and transition. Bank SinoPac also worked with other banks as a co-arranger in the NT$6 billion sustainability-linked syndicated loan with Hotai Leasing Corp. to support its development of electric vehicle leasing services and encourage businesses to implement sustainable development. As of the end of 2023, 74 cases have been processed and the amount reached NT$71.7 billion. The balance was NT$23.2 billion.

Project Finance

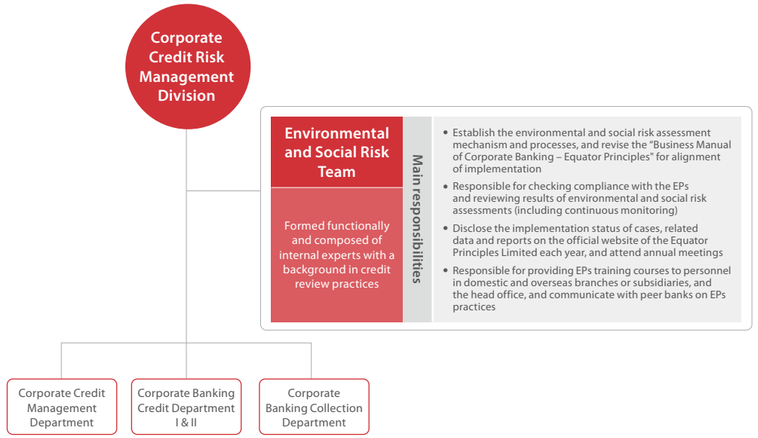
Bank SinoPac formally became a signatory to the Equator Principles (EPs) in February 2020 and published its first EPs Report in 2021. Disclosures included the EPs implementation process and mechanisms, education and training, and related information. Bank SinoPac also established a dedicated Environmental and Social Risk Team in 2021, which serves as an internal consultant for assisting the risk assessment and review of EPs cases. Bank SinoPac also complies with EP4 and the eight Performance Standards of International Finance Corporation (IFC) and included climate change and biodiversity risks as necessary items for risk assessment. The Environmental and Social Risk team members have professional backgrounds in credit management. They have practical experience in the implementation of the Equator Principles case review process and have completed the EP4 course training. For high-risk cases, the team seeks assistance from a third-party external consultant according to the EPs. Bank SinoPac has also incorporated Equator Principles cases into the self-inspection items starting from December 2022 and a third party from head office will inspect the process of Equator Principles cases regularly.

Bank SinoPac reviewed a total of 10 financing projects in line with the EPs in 2023, in which 7 cases have reached financial close and the remaining are still ongoing.

Results of Project Finance Review

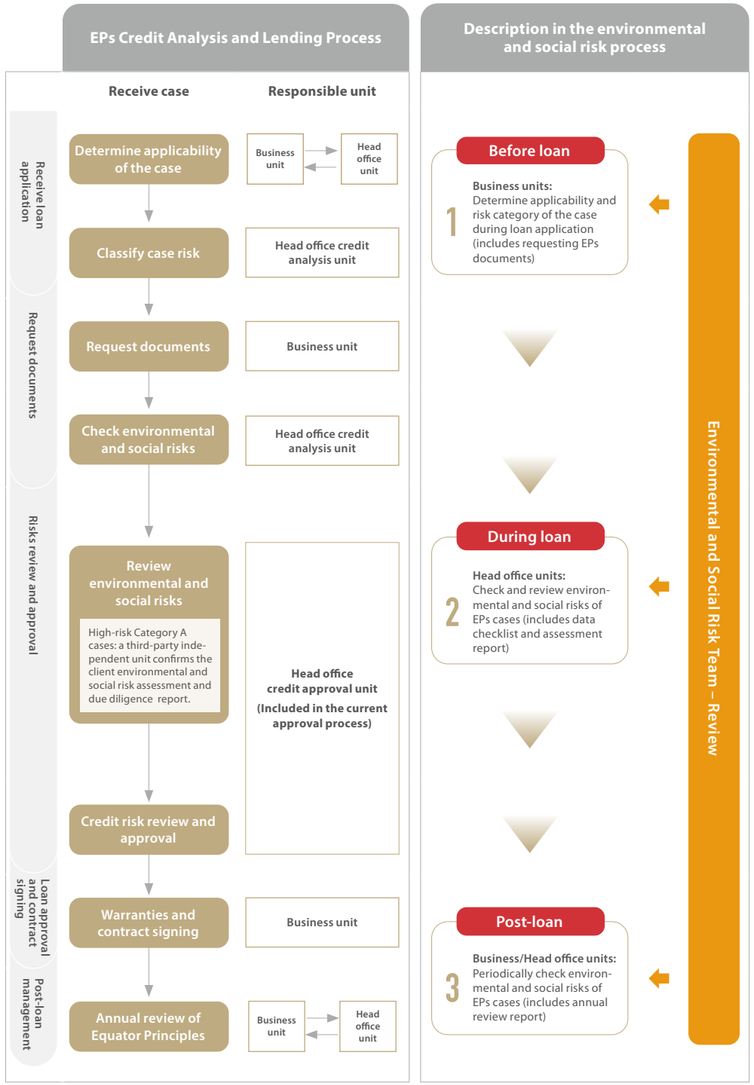
Overall number of project finances	10	Number of projects that reached financial close	7
Percentage of projects reviewed according to the EPs (%)	100	Number of projects rejected	1

Organization and Duties of Bank SinoPac's Environmental and Social Risk Team



In 2023, there was a large-scale syndicated loan project of a British natural gas power generation company. Its main operations consisted mainly of natural gas power generation and the proportion of renewable energy was not high. After the three-way engagement between first-line business development employees, the client, and the lead arranger, they were unable to confirm whether the natural gas used is from unconventional oil and gas sources, and it did not have the capital requirements for a low-carbon transition plan. In accordance with the decarbonization policy and the net-zero commitment of SinoPac Holdings, the Company do not undertake unconventional oil and gas financing cases, and in principle, and no longer increase the overseas financing positions for natural gas power generation. Therefore, SinoPac declined to participate the project.

EPs Credit Analysis and Lending Process



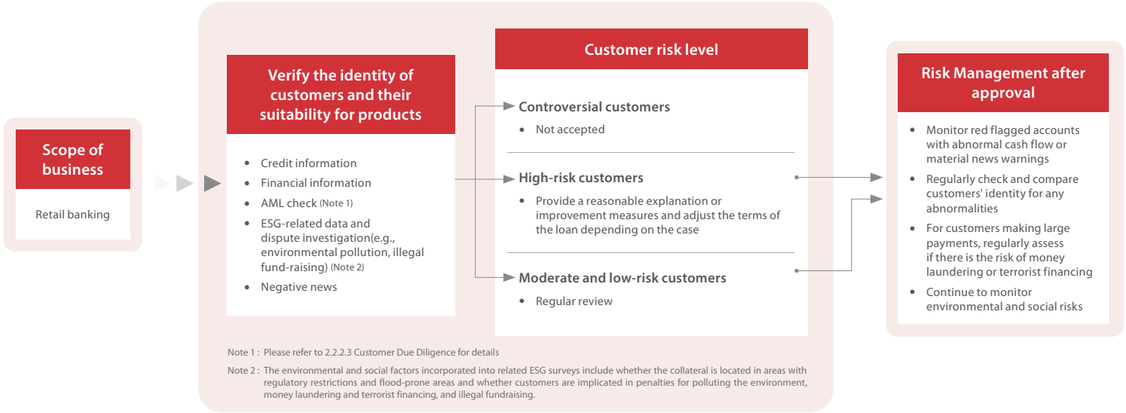
Project finances reviewed and reached financial close under EPs

Project		Project A	Project B	Project C	ProjectD	Project E	Project F	Project G
Sector		Power	Power	Power	Power	Power	Power	Power
Description		Construction of solar power plants in Qigu, Tainan	Bank SinoPac is the lead arranger in the syndicated loan and the funds were used for the construction of solar power plants in Yiwu, Yunlin	Bank SinoPac is the lead arranger in the syndicated loan and the funds were used for the construction of an energy storage plant in Wujie, Yilan	Bank SinoPac participants the syndicated loan and the funds were used for the construction of solar energy plants in Fangliao and Jiadong in Pingtung	Bank SinoPac is the lead arranger in the syndicated loan and the funds were used for the construction of solar energy plants in Mituo, Kaohsiung (fishery and electricity symbiosis)	Construction of equipment loan for onshore wind power in Dacheng, Changhua	Bank SinoPac participants the syndicated loan and the funds were used for the construction of solar energy plants and energy storage plants in Xuejia, Tainan.
Potential environmental and social risks in the project	Environmental and social risk assessment and management	●	●		●	●	●	●
	Labor	●	●	●	●	●	●	●
	Resource efficiency and pollution prevention	●	●	●	●	●		●
	Community health/safety and public security	●	●	●	●	●	●	●
	Land expropriation and involuntary relocation					●		
	Cultural heritage							
	Climate change	●	●		●	●	●	●
	Management of biodiversity and natural resource sustainability							
Risk category		B	B	C	B	B	B	B
Region		Asia Pacific	Asia Pacific	Asia Pacific	Asia Pacific	Asia Pacific	Asia Pacific	Asia Pacific
Independent third-party experts review (Note)		Yes (TUV)	Yes (TUV)	No	Yes (TUV)	Yes (FICHTNER)	Yes (TUV)	Yes (TUV)
Review by independent third-party experts		Although the site is located on land used for aquaculture, the impact on the local environment and society is limited. However, the developer must provide channels for communication and feedback during the construction and operation period and monitor the impact on stakeholders.	The site is not a changed habitat and does not contain endangered species and sensitive ecosystems. It constitutes low-intensity development.	-	According to the review, the site is not located on wetlands or natural reserves. However, as the area is prone to subsidence and has experienced heavy rainfall flooding over the past decade, the climate change risks in this case should be tracked on an ongoing basis.	The project is in the planning stage. After reviewing the "Environmental and Social Impact Management Plan", additional contents were deemed necessary.	The environmental and social risks in this project remain controllable. As it is still at the planning stage, the Bank should continue to track the environmental and social impact.	Related guidelines and description of mitigation measures have been provided for this project. Continue to track whether the project is implemented in accordance with the management plan after the commencement of construction.
Subsequent management measures		Continue to track the environmental and social impact during annual reviews.	Construction has begun onsite and the subsequent environmental and social impact monitoring reports must continue to track the implementation of stakeholder engagement and complaint mechanisms.	Continue to track the impact on stakeholders during annual reviews.	Continue to track the climate change impact and stakeholder engagement during annual reviews.	Continue to track and review the complete environmental and social review report and the ESMP setup during annual reviews.	Third-party monitoring reports on environmental and social sustainability should be reviewed regularly.	Third-party monitoring reports on environmental and social sustainability should be reviewed regularly.

Note: When the environmental and social risks are graded as A/B, the client is requested to provide an independent third-party environmental and social risk assessment report (ESDD, ESMP, ESIA) according to the requirements of the EPs, and conduct an on-site visit. The client's commitment to comply with the EPs must be included in the loan agreement, and the environmental and social risks must be tracked according to the conditions for loan approval.

3.1.3.2 Retail Banking Lending

KYC and CDD Processes for Retail Banking Lending



SinoPac Holdings incorporated ESG factors in its retail banking businesses (including mortgage, motor vehicle loans, credit loans, and credit cards). When a new retail banking loan application is received, besides carrying out KYC and CDD mechanisms, the Company actively investigates the customers' ESG-related information and uses the ESG risk they may face for risk grading, appraisal, and adjustment of loan terms. Furthermore, if related parties (company, person-in-charge, or individuals) of the loan applicant are involved in ESG-related disputes and were fined by the competent authority, or were involved in disputes, such as environmental pollution or illegal fund-raising, SinoPac Holdings will contact the customer to provide a reasonable explanation or improvement measures and adjust the terms of the loan depending on the case. If the fine was imposed due to a severe hazard or pollution and concrete improvement measures were not proposed, then the loan application will be rejected. For details on incorporating ESG factors into retail banking lending, please refer to the official website of SinoPac Holdings.

Considering sustainability risks in the credit investigation and review process of the retail banking business

- In the mortgage review process, if the property is located in a restricted area or area prone to flood, debris flow, or soil liquefaction (with high physical climate risk), the application should be rejected during the appraisal review process if the collateral is not the target case. If the case should be accepted due to special considerations, the loan-to-value should be lowered and enhance the level of case approval.
- Major earthquakes and natural disasters are taken into consideration when dividing the area where the property is located into grades A, B, and C, which are then used for valuation.
- In the process of reviewing corporate motor vehicle loan applications, the Company checks clients' records and information on fines imposition due to severe pollution cases. If it is involved in such cases, SinoPac Holdings requires the client to provide a reasonable explanation and improvement measures and will adjust the terms of the loan depending on the case.

Exclusion/rejection conditions in the credit investigation and review process of the retail banking business

- All loan applications of sanctioned parties, terrorists, or terrorist groups confirmed or investigated by foreign governments or international AML organizations, and individuals, corporate entities, and groups sanctioned under the Counter-Terrorism Financing Act, shall be rejected.
- During the credit investigation process, if the customer was found to have previously gained illegal profit from the sale of unlisted stocks, the application shall be rejected after verification.
- In the review process for corporate credit cards application, if the client was found to be involved in illegal funds raising through online gambling, the application shall be rejected after verification.
- In the process of reviewing corporate motor vehicle loan applications, the Company checks clients' records and information on fines imposition due to severe pollution cases. If it is involved in such cases and does not propose effective improvement measures, the case shall be rejected.

Retail Banking ESG Promotion and Engagement

SinoPac Holdings continues to support decarbonization with customers and creates a one-stop green ecosystem. In August 2023, Bank SinoPac's official LINE account launched the "Carbon Off Show Time" zone, which gradually cultivates carbon intuition through interactive experiences to help customers integrate carbon reduction into their lives and enhance their sense of achievement through concrete results. The ultimate goal is to build a green ecosystem to strengthen the role of the "individual" in carbon reduction and the power of carbon reduction. In 2023, the program received the 20th National Brand Yushan Awards - Most Popular Brand from the National Enterprise Competitiveness Development Association.

Four highlights of the "Carbon Off Show Time" zone create a brand-new green ecosystem

- Personal carbon reduction results: Cumulative number of papers saved and carbon emissions reduced from personalize subscription of green notifications.
- Green Product e-Label: It gathers green products including green deposits, green investments, and green consumption for high integration and rapid redirection.
- Bee Points rewards for carbon off reduction tasks: It connects the points economy for users to complete limited tasks and collect Bee Points.
- Green Service Express GO: Eight online services minimize breaks in customer experience (online account opening, online card application, online transfer/remittance, online foreign exchange, mortgage application, loan application, time deposit application, and DACARD Paybill)

Bank SinoPac's "Carbon Off Show Time" zone

SinoPac Holdings also proactively promotes ESG-related concepts to retail customers and promotes information and financial services that are environmentally friendly and care for society. The Company sent EDM and LINE messages related to carbon reduction, provide information on green mortgage, green deposits, and sustainable financial products in the sustainable finance section on Bank SinoPac's website. The Company produced green environmentally friendly event pages and promotional links to use multiple channels for communicating ESG-related risks and opportunities with customers. In 2023, the events reached approximately 1.09 million customers, which accounted for 33.07% of all retail customers of Bank SinoPac.

Retail Banking Advisory Services

SinoPac Holdings integrates sustainable financial products and related information from external sources to provide customers with ESG advisory services for household solar energy equipment installation, green buildings, first home mortgages, financial services for migrant workers, and property trusts.

SinoPac Holdings Advisory Services on ESG Topics of Retail Banking

Name of Service	Contents of Advisory Services
Advisory for Household Solar Energy Plants Installation	Promote the benefit of solar photovoltaic energy to customers. The benefits include increasing income, reducing GHG, and replacing sunblock equipment to lower temperatures and insulating heat. Provide detailed analysis and calculate profits from the sale of electricity minus loan payments, allowing customers to understand the reasonable profits they can earn. Furthermore, advisory links are provided in the solar energy financing section of Bank SinoPac's official website with integrated external information to help customers more quickly and comprehensively obtain information to apply for the installation of solar power equipment.
Green mortgage consulting	Bank SinoPac supports the sustainable building design concepts for environmental protection and launched the "green mortgage". The Company provide information on green building-related qualifications and links to professional information on green buildings in the green building section on the official website of Bank SinoPac. The Company aim to work with clients to build sustainable homes and create an environmentally friendly life together.
Advisory for Young Entrepreneurs	Bank SinoPac supports government policy by providing low interest "Loans for Startup Funding for Young Entrepreneurs" to help the youth obtain the funding needed to start their own business. Bank SinoPac provides young entrepreneurs with advisory services, analyzing and diagnosing funds required for operations and processing fees.
Promote ESG shopping	Provide customers with information on low carbon healthy diet through advance payments for credit cards.
Advisory for migrant workers on financial services	Bank SinoPac collected cases of migrant workers using underground financial services for promotion and sharing to provide migrant workers with finding proper channels for financial services. Bank SinoPac provides one-stop services in foreign languages to more efficiently provide migrant workers with friendly advice on financial services, such as loans, and help them successfully complete applications for related credit loan products and services.
Advisory on property trust	Provide the elderly and persons with disabilities and their families with asset planning advisory services and explain the asset trust mechanism to help citizens utilize trusts to protect their personal assets.
Advisory on online payments for funBIZ	Assist small and medium businesses/individual sellers with using different online payment tools to promote e-commerce, introduce features, applicability, safety authentication, and related functions of funBIZ, and facilitate the development of online business.
First home purchase consulting	Bank SinoPac provides an online calculation function for house purchase ability, as well as recommendations and explanations for making their first purchase. This allows customers to first evaluate their financial planning and fully assess their ability to purchase a house, helping them fulfill their dreams of purchasing a house.

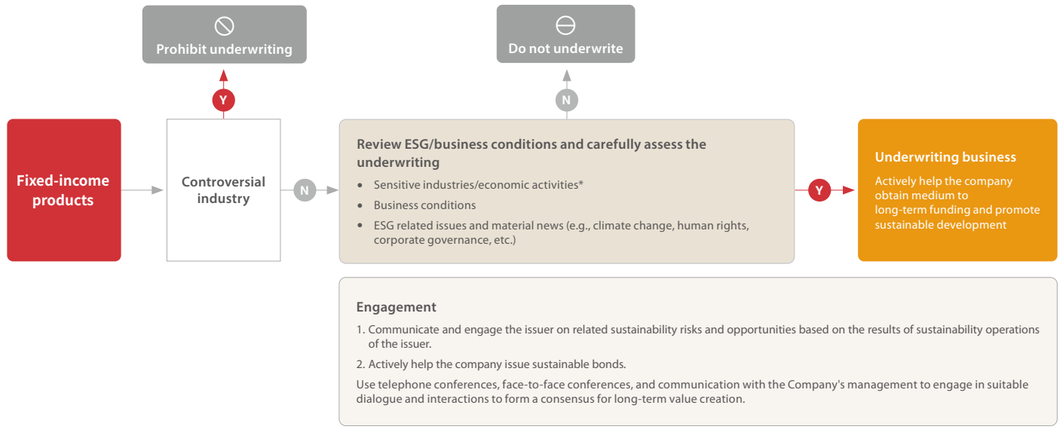
3.1.4 Sustainability Advisory Policy

Bank SinoPac and SinoPac Securities provide ESG advisory services for green bonds underwriting service and securities listing underwriting/consultation and capital raising services and incorporate ESG factors into the evaluation and guidance process in accordance with the relevant Business Manuals and the "Responsible Investment Management Guidelines".

Incorporate ESG Factors into Fixed Income Underwriting

SinoPac Securities incorporated ESG topics into the investment analysis and decision-making process of its bonds underwriting service according to the "Responsible Investment Management Guidelines". The Company understands the background of issuers and performance in each ESG aspect through the KYC process, and avoid providing services to controversial industries, such as pornography, controversial arms. For sensitive industries, such as oil and gas industry, coal-fired power generation industry, cement and concrete manufacturing industry, iron, steel, other metal manufacturing industries, sensitive economic activities such as gambling, those with issues in food safety, toxic radioactive substance, non-medical and hazardous genetic engineering, non-adhesive asbestos fiber and polychlorinated biphenyls (PCBs) manufacturing, investments must be thoroughly evaluated, more mindfully analyzed and explained, escalate level of authority for approval, the ratio of positions must be controlled, or engage in shareholder activism. Also, an exceptions management process must be established to prevent having a material negative impact on the external environment or society.

SinoPac Securities Fixed Income Underwriting KYC Process



* Sensitive industries/economic activities: They include the oil and gas industry, thermal power generation industry, cement and concrete manufacturing industry, iron, steel, other metal manufacturing industries, gambling, industries with food safety concerns, hazardous radioactive materials, genetic engineering not used for medical purposes or detrimental to human development, and the manufacturing of non-adhesive asbestos fibers and polychlorinated biphenyls.

Incorporate ESG factors into Securities Listing Underwriting/Consultation and Capital Raising Services

When SinoPac Securities is providing clients with consultation for securities listing or raising capital, it conducts CDD/KYC according to rules governing review of securities listings and evaluation and inspection procedures of the competent authority, and incorporates ESG factors such as implementation of corporate governance, major labor-management disputes, and major environmental pollution into the consultation, review, and evaluation process.

3.2 Sustainable Financial Products and Services

SinoPac Holdings proactively promotes sustainable financial products and services and held 10 seminars in 2023 for 1,922 participants. Furthermore, SinoPac Securities and SinoPac Securities Investment Service Corp. organized 17 sharing events for ESG issues in 2023. The events introduced the SinoPac+ ESG Evaluation System along with sustainability trends (e.g., international regulations and disclosure standards and sustainable investment markets, the current status of domestic and international sustainability funds, the regulation of net-zero/carbon). Participants included the competent authorities and domestic institutional investors. SinoPac Holdings is a member of the Business Council for Sustainable Development of the Republic of China (BCSD Taiwan). Nature and biodiversity have become one of the most important sustainability issues in the world in recent years, and key factors for achieving the Net Zero goal by 2050. With the goal of constructing financial resilience through ESG practices, SinoPac Holdings and Bank SinoPac, in collaboration with BCSD, organized forums to raise awareness of these issues and to accelerate the implementation and development of sustainable finance.

2023 SinoPac Holdings ESG Forum

Item	Main topic and contents	Participants	Number of participants
SinoPac Holdings ESG Forum "Building Financial Resilience with Natural Capital"	SinoPac Holdings, Bank SinoPac, and BCSD Taiwan jointly organized the SinoPac Holdings ESG Forum "Building Financial Resilience with Natural Capital" to explore the challenges and resilience enhancement of sustainable finance. The forum invited Tom Williams, Senior Director of the World Business Council for Sustainable Development (WBCSD), to share the impacts, opportunities, and business opportunities of natural and biological diversity for enterprises to raise awareness and inspire participants on the topics.	Financial institutions, experts in the industry, government, and academia, directors, managers, and employees of SinoPac Holdings and subsidiaries	188
SinoPac Holdings ESG Forum "Finance and Natural Capital Linkage Forum"	SinoPac Holdings, Bank SinoPac, and BCSD Taiwan jointly organized the SinoPac Holdings ESG Forum "Finance and Natural Capital Linkage Forum" to explore nature positive concepts and actions and how to use financial services to strengthen companies' nature influence. BCSD Taiwan completed and published the Chinese version of the "Capitals Coalition Natural Capital Protocol" with the support of SinoPac Holdings and Bank SinoPac and the authorization from Capitals Coalition.	Financial institutions, experts in the industry, government, and academia, directors, managers, and employees of SinoPac Holdings and subsidiaries	213
2023 Sustainability Forward-looking Forum	SinoPac Holdings, Bank SinoPac, and Global Views Monthly jointly organized the "2023 Sustainability Forward-looking Forum" to discuss the topic "Sustainability Actions — Key Strategies for Taiwan". We invited representatives from the government and industries to analyze four major aspects including policy implementation, technology trends, financial support, and energy transition, and to share the specific actions to be taken in response to the 12 key strategies for Net Zero and support Taiwan's sustainable development in all sectors.	Government and industry representatives	289
2023 Green Action Forum	Bank SinoPac and Economic Daily News jointly organized the forum to explore how green finance can assist corporate clients in implementing carbon inventories and promoting carbon reduction and net-zero in the supply chain. The forum invited industry representatives to share how the upstream and downstream supply chains can work together to reduce carbon emissions and complete their transition.	Green energy industry, financial institutions, managers, and employees	346
2023 Wealth Magazine Forum "Digital x ESG Dual Transformation - Co creating a sustainable Future"	Bank SinoPac assisted Wealth Magazine in hosting the forum "Promoting Sustainable Homeland with Green Finance" to explore how green finance can assist companies to take sustainable actions and how SinoPac works with clients to move towards carbon reduction and achieve sustainable goals through the Four Stages of Sustainable Finance.	Wealth Magazine readers and clients	215
2023 Q1 Industrial Investment Forum	SinoPac Securities organized the forum and SinoPac Securities Investment Service Corp. led the session on "The Current Situation and Trend of Sustainable Investment in 2023: How Investors and Companies Respond to Climate Change Law", which focused on the current status of domestic and international sustainability funds, the recent major domestic regulations (Taiwan Sustainable Taxonomy, Sustainable Finance Evaluation, and Climate Change Response Act) and whether the anti-ESG bills are becoming a trend.	Financial institutions, companies listed on the TWSE and TPEx, managers, and employees	17
Taiwan Corporate Day 2023	SinoPac Securities and Taiwan Stock Exchange Corporation (TWSE) jointly organized the event and the ESG session titled "The trend of delivering material ESG factors to meet investor needs" was led by SinoPac Securities Investment Service Corp. to focus on the current state of sustainability funds in Taiwan and overseas, recent legislations (Taiwan Sustainable Taxonomy and Sustainable Finance Evaluation), anti-ESG bills in the United States, and the net zero regulations and timetable in Taiwan.	Foreign investors, companies listed on the TWSE and TPEx, managers, and employees	59
Online ESG seminars	SinoPac Securities organized the forum and SinoPac Securities Investment Service Corp. led a seminar on "peek into the future - carbon rights ", which focused on domestic and international carbon regulations, current state of carbon information disclosure, and carbon simulation scenarios.	Financial institutions, companies listed on the TWSE and TPEx, managers, and employees	172
Taiwan Corporate Day 2023	SinoPac Securities and Taipei Exchange jointly organized the event and the ESG session titled "How Taiwanese Companies Adopt IFRS Sustainability Disclosure Standards" was hosted by SinoPac Securities to discuss how companies in Taiwan should adopt the latest IFRS Sustainability Disclosure Standards rolled out this year.	Foreign investors, companies listed on the TWSE and TPEx, managers, and employees	38
SinoPac Friendly Finance Forum	Bank SinoPac invited external experts and academics to discuss how deal with the aged society and the resulting issues of dementia, subsequent care, and financial planning in the context of the three major aspects of life, health, and wealth.	Common Health Magazine readers, customers, managers, and employees	385
	Total		**1,922**

ESG Forum "Building Financial Resilience with Natural Capital" jointly organized by SinoPac and BCSD Taiwan

"2023 Sustainability Forward-looking Forum" jointly organized by SinoPac and Global Views

ESG Forum "Finance and Natural Capital Linkage Forum" jointly organized by SinoPac and BCSD Taiwan

3.2.1 Green Finance

To achieve the carbon reduction goals set forth in the "Glasgow Climate Pact" and respond to the "Green Finance Action Plan 3.0" announced by the FSC, SinoPac Holdings and its subsidiaries utilized their core financial services for exchanges and cooperation between industry, government, academia, and finance in 2023 to promote the "Four Stages of Sustainable Finance". We created one-stop green transition financial services including carbon inventory and verification, energy management, carbon reduction and sustainability. The Company supports the national policy objective of developing renewable energy for power generation and promote energy-saving and carbon reduction goods and services that can reduce greenhouse gas emissions. The Company supports the development of sustainable agriculture and takes action to mitigate climate change, in hopes of becoming a green finance accelerator that will drive the sustainable transition of value chains.

3.2.1.1 Promote the Development of the Green Energy Industry

SinoPac Holdings' short-term, mid-term, and long-term goals for promoting the development of the green energy industry

	Short-term (2024)	Medium-term (2025-2026)	Long-term (2026-2028)
Loan outstanding amount to green energy industries	NT$128 billion	NT$158 billion	Continue to increase the business scale of the green energy industry or related businesses aligned with climate targets
Financial services for green power transactions and assistance for power plants in applications for installed capacity for wheeling	An accumulation of 40MW	An accumulation of 60MW	An accumulation of 80MW
Investment amount in green industries	New investment amount 15% of the total new investment amount of the year	New investment amount 15% of the total new investment amount of the year	New investment amount 15% to 20% of the total new investment amount of the year
Loan outstanding amount to green energy equipment and its supply chain	NT$1.5 billion/year	NT$1.5 billion/year	NT$1.5 billion/year

Solar Photovoltaic Energy Generation Equipment Financing for Corporates

✦ **Bank SinoPac received the Top Solar System Award from the Energy Administration, Ministry of Economic Affairs for 8 consecutive years from 2016 to 2023. Bank SinoPac is the only financial institution in Taiwan to receive the award for 8 consecutive years.**

To support the national green energy policy target for renewable energy development, Bank SinoPac launched the "Solar Photovoltaic Energy Generation Equipment Financing Project" in 2013 and it has passed its 10-year milestone. Bank SinoPac became the first bank in Taiwan to provide project financing for "fishery and electricity symbiosis" projects. The Bank helped coastal fish farms obtain funding for the fish farmers to set up the fishery and renewable energy symbiosis business model.

In 2023, Bank SinoPac supported the government's energy transition policy for the development of the Power Plant of Solar and Energy Storage Integration sites, which use solar PV and energy storage systems to regulate power generation output and increase the stability and flexibility of power supply. Bank SinoPac worked with Jhih-Guang Energy of TAYA Group on the syndicated loan of NT$1 billion for the first solar PV and energy storage system in Taiwan. It created the largest Power Plant of Solar and Energy Storage Integration project in Taiwan. Bank SinoPac is committed to attaining net zero and sustainability and works with the government and companies to create a green and sustainable homeland, promote the overall efficiency of solar photovoltaic power, empower the sustainable development of the local community to build a stable supply chain for green power together and reach new milestones in the green energy industry.

As of the end of 2023, Bank SinoPac had assisted domestic and foreign companies by setting up 7,927 solar energy plants with a total installed capacity of 3,433.38MW, which is equal to the annual electricity consumption of approximately 1.14 million households (4 people). Annual growth of solar photovoltaic installed capacity was approximately 21.6% and the market share was approximately 28%. The balance of solar photovoltaic energy generation equipment financing for domestic and foreign companies was approximately 104.654 billion. The balance of loans for fishery and electricity symbiosis projects totaled NT$6.563 billion and the total installed capacity was 711.49MW.

Bank SinoPac served as the lead arranger for the first Power Plant of Solar and Energy Storage Integration project in Taiwan in 2023

From 2019 to the end of 2023, Bank SinoPac served as the lead arranger for 25 syndicated loans. It also assisted the installation of solar energy facilities in farmland unsuitable for cultivation and the total balance of the syndicated loans amounted to NT$36.949 billion. The balance at the end of the year was NT$4.168 billion.

Innovative Solar PV Smart Financial Services provided by SinoPac Holdings

Created the "Green Energy Electricity Trading Trust Platform"

In response to the liberalization of the green energy trading market, Bank SinoPac created the first "Green Energy Electricity Trading Trust Platform" in 2022 to increase the transparency and security of green energy transactions. It provides trust management mechanisms such as bid bond, deposits, and electricity payment cash flow. The trust mechanisms help manage the electricity payment cash flow and deposits for green power transactions to reduce the transactional costs and risks. It increases management efficiency and utilizes dedicated funds for dedicated purposes to enhance the mutual trust and security for the power purchase or wheeling between green energy buyers, power producers, and retailers. Bank SinoPac also used the renewable electricity transaction inquiry channels provided by the Green Energy Electricity Trading Trust Platform for power generators and retailers and created the first green energy electricity wheeling service to support the market promotion of renewable electricity transactions and create green financial services that benefit both environmental sustainability and industrial development.

✦ **The "Green Energy Electricity Trading Trust Platform" received the Taiwan Sustainability Action Awards: SDG 7 Create a Friendly Renewable Energy Trading Environment - Gold Award**

✦ **《Wealth Magazine》Excellence Award for Influential Trust Services in 2023 Financial Award**

2023 Achievements

As of the end of 2023, 11 retailers joined the Green Energy Electricity Trading Trust Platform and 9 power plants with a combined installed capacity of approximately 20.4MW signed renewable electricity power purchase agreements through matchmaking on the platform. The first power generation client that finalized the agreement began official electricity retailing in October 2023, which was an important milestone in domestic financial institutions' support of the renewable electricity market development.

Developed the "Green Power Plant Management System"

Bank SinoPac is taking the lead in financial institutions in terms of using big data, AI technologies and hybrid cloud to develop the proprietary Green Power Plant Management System in 2022, which has four functions: power plant evaluation, asset appraisal, revenue forecast and risk assessment. With the Green Power Plant Management System, SinoPac Holdings became the first financial institution in Taiwan to receive a patent from the Intellectual Property Office of the Ministry of Economic Affairs.

SinoPac continues to use the basic information of power plants to evaluate potential private green power plants for trading to promote the electricity trading market and support the creation of a sustainable homeland.

2023 Achievements

In 2023, Bank SinoPac continued to integrate its solar energy plant operation information (e.g., power generation in kWh, plant construction progress, and feed-in tariff), analyze the actual average insolation in plants in each area for use in financing decisions for plants, and plan to connect to the Bank's core system to accelerate the efficiency of post-loan management.

Green Financial Advisory Services

As the net zero and carbon reduction trends continue, many companies have become increasingly optimistic regarding the future of the liberalization of the electricity industry or invested and purchased solar energy plants in response to the demand for green energy derived from RE100 and renewable energy installed capacity obligations. Bank SinoPac has actively developed diverse corporate green energy solutions on the basis of its track records for financing solar energy plants and continued to be the pilot of green energy corporate financing in the market. It restarted the financial consulting business in 2022 to provide companies with project management and consulting services for related equity and asset transactions. Services include providing customers with recommendations and plans for their energy transition, matchmaking potential transaction counterparties, appraisal of the value of solar energy facilities, and negotiation of the transaction terms. The financial consulting business is also conducted along with other net zero projects such as matchmaking energy-saving equipment improvement companies to provide comprehensive net zero solutions and become a professional consulting partner in companies' pursuit of net zero transition.

One-stop Solution of Financial Advisory Services

Financing plan
- Syndicated loan plans
- SPV capital increase
- Bridge loan

Green energy trading
- Green energy transaction matchmaking
- Green energy trading trust
- Green power wheeling

IPO
- IPO assessment
- Attract investors
- Strategic alliance

Acquisition of power plants
- Acquisition and EPC
- Disclose market information
- Analysis of past business conditions

Equity financing
- Fundraising for startups
- Attract investors
- Industry integration

Investment for market acces
- Sales of certain power plants
- Prioritize the purchase of green energy
- Accelerate power purchase schedule

ESG Sustainability-linked Fixed Rate Commercial Paper (FRCP)

SinoPac Leasing and the IFBC issued a Fixed Rate Commercial Paper (FRCP) in January 2022, linking corporate sustainability results and amounts to interest rates and locking the funds for a specific period. The funds raised are mainly used to help clients construct solar energy plants, install energy conservation and storage equipment, and meet the financing needs of customers for green energy transition in coordination with net zero emissions. Bank SinoPac underwrote the first "ESG Sustainability-linked Fixed Rate Commercial Paper (FRCP)" in 2023 and signed an agreement with Shinshin Credit Corporation to link the index interest rate to ESG-related indicators such as the carbon emissions and power generation performance of the solar energy plants operated by the issuer of the commercial paper.

SinoPac Holdings Solar Photovoltaic Energy Generation Equipment Financing Project Development Process

2012-2017
- Commenced project preparation and planning in 2012. Launched the "Solar Photovoltaic Energy Generation Equipment Financing Project" in 2013 to provide financing for rooftop PV power plants based on adjustments in government policies and changes in the needs of the industry and later added underwriting regulations for ground-mounted and floating site.

2018-2020
- Implemented active innovation to expand the fishery and electricity symbiosis model and created the first green energy trading financing project framework for promoting the liberalization of green power.

2021
- Created a green energy ecosystem, worked with electricity suppliers to create the "Green Energy Electricity Trading Trust Platform", independently developed the "Solar Power Plant Management System", and continues to serve as a key partner for the development of the industry.
- Worked with companies and county/city governments, and assisted the Power Master Group in building the largest rooftop solar photovoltaic energy system in Shuli Industrial Park, New Taipei City.

2022
- Expanded the reach of green finance and oversaw the first green energy syndicated loan project in Eastern Taiwan, which was used for the construction of a solar energy plant in Hualien County.
- Bank SinoPac served as the lead arranger and invited other banks to jointly finance the greenhouse fishery and electricity symbiosis project in Yizhu Township, Chiayi. It was the largest indoor fishery and electricity symbiosis power plant at that time.

2023
- Served as the lead arranger in syndicated loan for the first solar PV and energy storage project in Taiwan with a total amount of NT$1 billion, and invited other banks to jointly finance the construction of the largest power plant of solar and energy storage integration in Taiwan at that time.

Products and Services of SinoPac Holdings Related to Green Energy Development

Target customers	Product name	Services	2023 results (cumulative)
Corporate banking clients	Solar photovoltaic energy generation equipment financing for corporates	Bank SinoPac launched the "Solar Photovoltaic Energy Generation Equipment Financing Project" in 2013. Due to adjustments in government policies and changes in the needs of the industry, Bank SinoPac added innovative financing options for different types of sites and such as fishery and electricity symbiosis and solar and energy storage integration sites.	Bank SinoPac assisted domestic and foreign companies with setting up 7,927 solar energy plants with a total installed capacity of 3,433.38MW. The total balance of the Solar Photovoltaic Energy Generation Equipment Financing Project is approximately 104.654 billion.
	Financing for green energy equipment and its supply chain	In 2018, SinoPac Leasing began providing short-term project financing for the construction period of solar energy plants and continued to develop the clients base of small and medium-sized enterprises, such as manufacturers of electric vehicles and peripheral equipment, developers of green energy construction systems and energy storage systems, suppliers of materials, and EPCs/contractors.	In 2023, it granted NT$1.357 billion in loans and the loan balance was NT$1.223 billion.
	Financing energy storage systems	Bank SinoPac developed the innovative "energy storage system" project financing service in 2022 to help partners in the industry develop different types of energy storage projects.	• In 2023, Bank SinoPac worked with Sanlu Energy Storage, a subsidiary of North-Star International, as the lead arranger for the first syndicated loan for an energy storage project in Taiwan with a total amount of NT$4.75 billion for the construction of the largest single energy storage power plant in Taiwan. • 43 loans were approved with a balance of loans of NT$5.971 billion.
	Equipment loan for onshore wind power	Bank SinoPac organized financing for the equipment loan for onshore wind power and assisted companies in obtaining the necessary funding for setting up land-based wind farms.	The balance of loans was NT$1.127 billion and the total installed capacity was 62.4MW.
	Geothermal power	Bank SinoPac supports government policies by providing companies with the necessary funding for setting up geothermal power plants.	Bank SinoPac had 2 partner sites. The balance of loans exceeded NT$106 million and the total installed capacity was 2MW.
	Small hydro power	Bank SinoPac provided the first loan for a small hydro power station in 2023 in the first such loan in the industry in Taiwan. Small hydro power stations are environmentally friendly, decentralized, localized, and operate 24 hours a day, which help increase energy autonomy.	Bank SinoPac had 3 partner sites. The balance of loans exceeded NT$500 million and the total installed capacity was 24.49MW.
	Insurance for green enterprises	Bank SinoPac supports the green transition of the solar PV industry by distributing four related insurance products, including power generation equipment accident insurance and public accident liability insurance during the operations of power generation equipment.	Assisted 542 companies in obtaining insurance coverage with insurance premiums totaling approximately NT$52.99 million.
	Corporate client green deposits	Bank SinoPac worked with corporate clients to launch the NTD green time deposit project. The funds are used for green loans such as green buildings, renewable energy loans, and pollution prevention industries.	In 2023, Bank SinoPac underwrote 6 green deposits and the total amount in collaborative projects was NT$310 million.
	Green energy industry trust	Bank SinoPac offers a wide range of trust services to help energy companies process renewable electricity transaction deposits, electricity charge trusts, and local rebate trusts through the trust accounts. It enhances the safety management mechanism of the cash flow of electricity purchase or resale transactions between the power producers, power retailer, and buyers and ensures that the funds withdrawn are used exclusively for the designated purposes of the rebate.	Bank SinoPac signed contracts with 25 clients and the total assets in trusts as of the end of 2023 exceeded NT$10 million.
Retail customers	Natural-person customer green deposits	Bank SinoPac launched the Natural-Person Green Deposit in June 2023, to help customers with US dollar demand deposits use their funds to finance or refinance a variety of projects around the world that comply with green loan principles.	Bank SinoPac launched the "Green Life with USD Deposits" USD demand deposit program in June with 5,301 participants. It launched the "Green Elevated Aesthetics" USD demand deposit program in September with 11,342 participants.
	Financing for household solar energy equipment	Bank SinoPac provides a standard product with fast approval through a project or specific distribution channel to reduce the entry barriers for setting up solar photovoltaic equipment and help individuals or families set up solar photovoltaic equipment on the rooftop of their buildings.	Bank SinoPac approved loans for 271 power plants of individuals with a total PV equipment installed capacity of 10.9MW, and the balance of financing household solar energy equipment was NT$239 million.

Bank SinoPac was the lead arranger for the first syndicated loan of the construction of the largest single energy storage power plant in Taiwan

Bank SinoPac and Linquan Energy completed project financing for the first small hydro power station in Taiwan

Bank SinoPac launched green deposit projects for retail customers to support financial sustainability with actions

Renewable Energy Financing Impact Assessment

SinoPac Holdings referenced the IRIS+ Impact Assessment Frameworks developed by the Global Impact Investing Network (GIIN) to assess the positive impact of monetized renewable energy on the environment and society (including green energy services such as solar PV equipment loans for onshore wind power, geothermal power, small hydro power, and energy storage equipment financing). According to the assessment, the renewable energy financing loans of SinoPac Holdings can reduce social costs by approximately US$420 million.

Corresponding IRIS+ impact category: Energy

Corresponding Material Topics	Recipient of Impact	Description of Impact	Output Metric	Impact Valuation
Achieve net zero targets	• Environmental • Social	Climate change caused by greenhouse gas emissions create social costs to the overall economy and environment. By upgrading financing for green energy, the financial industry can reduce the carbon emissions from traditional fossil fuel power generation, which in turn reduces overall social costs.	Carbon emissions avoided due to renewable energy generation: 2,210,249.62 (tCO_2)	Reduced social cost by avoided carbon emissions: US$ 419,947,427.86

Monetization impact pathway:

Power generation with renewable energy equipment in kWh
4,565,905,053
(kWh)

X

Marginal emissions factor for electricity in Taiwan
484.077
(gCO_2/kWh)

X

Social cost of carbon emissions
190
(US$/$tCO_2$)

=

Social cost reduced due to renewable energy power generation projects
US$ 419,947,427.86

Note 1 : The electricity marginal emission factor refers to the amount of electricity generated by the power plant with the highest variable operating cost (the basis for calculating avoided emissions as proposed by PCAF) in the existing power system, ranked in order of economic value.

Note 2 : The source of Taiwan's electricity marginal emission factor is based on the "Harmonized IFI Default Grid Factors 2021 v3.2" report published by UNFCCC in 2022.

Note 3 : The source of the social cost of carbon emissions is based on the "Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances" published by the United States Environmental Protection Agency in 2023.

Green Energy Policy Engagement

Bank SinoPac responded to the government's policy by organizing numerous briefings and seminars on green energy financing to facilitate exchanges and discussions. Bank SinoPac began holding seminar of green energy business in industrial parks in each county and city in 2017 to provide solar PV energy generation equipment financing, providing complete and systematic explanations of policies, regulations, and incentive measures. Bank SinoPac also provides integrated corporate financing plans and services, so that the private sector will become involved in the development of the green energy industry. In 2023, Bank SinoPac's Hong Kong and Macau Branch signed a memorandum of understanding for strategic cooperation with the Hong Kong Quality Assurance Agency (HKQAA) to jointly promote green and sustainable finance.

Besides working with local governments to promote solar photovoltaic services, SinoPac Holdings also implemented internal and external engagement on related issues. In addition to conducting training for employees, it also actively participates in relevant industry associations and exhibitions to expanding green energy market businesses and promote environmental protection. Bank SinoPac is the only financial institution that has participated in the Energy Taiwan exhibition for seven consecutive years. In 2023, Bank SinoPac was invited to take part in the exhibition and provide explanation on financing, green finance application advisory services, and future development of green finance in the exhibition area. It provided financial structure planning for renewable energy insurance and financing projects with one-stop advisory services from "transaction negotiation" to "financing services" to accelerate the benefits of matchmaking. Bank SinoPac also took advantage of in-depth exchanges with domestic and foreign manufacturers and experts to intensify the development of green financial services and maximize the impact of sustainable energy development.

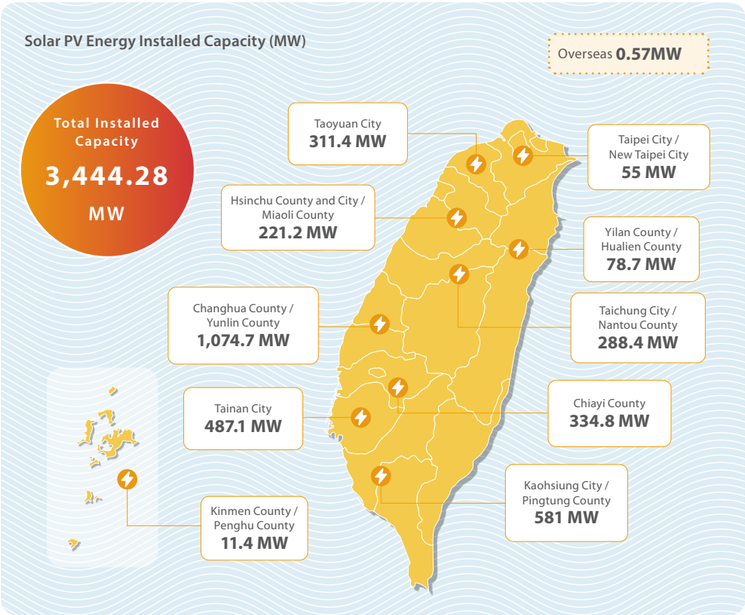
Bank SinoPac participated in 2023 Energy Taiwan & Net-Zero Taiwan

Bank SinoPac's engagement results from promoting the green energy policy in 2023

Bank SinoPac actively serves as the lead arranger or participant in syndicated loans in the green energy market, helping companies quickly raise capital for establishing or investing in solar energy plants. Bank SinoPac has served as the lead arranger for solar PV syndicated loans totaling over NT$10 billion for three consecutive years and organized the first power plant of solar and energy storage integration project. From 2019 to 2023, Bank SinoPac has been served as mandated lead arranger and bookrunner (Facility Agent) for solar energy plants of 14 group clients, and the total amount of the syndicated loan contracts reach NT$118.15 billion. Bank SinoPac ranks first in Taiwan in the number of cases, amount, and installed capacity and uses its extensive experience to help companies obtain diverse electricity supply.

Bank SinoPac participated in Energy Taiwan (formerly PV energy) every year between 2017 and 2023 and provided the most advanced energy solutions in the domestic industry chain at the exhibition. It was the only financial institution to participate in the exhibition for 7 consecutive years.

Bank SinoPac's Promotion Results of Solar PV Energy Financing in 2023



The chart includes installed capacity of solar PV power plants by enterprises and individuals both domestic and individual.

3.2.1.2 Support Energy Conservation and Carbon Reduction Actions

Syndicated Loan for Green Building Urban Renewal / Green building civil engineering financing projects

After the launch of the first Syndicated Loan for Green Building Urban Renewal in 2021, Bank SinoPac organized the syndicated loan land development project of SanDi Properties Co., Ltd. in 2022 as the lead arranger. This project was the largest Urban Unsafe and Old Buildings urban renewal syndicated loan in Southern Taiwan. In 2023, Bank SinoPac served as the lead arranger for the NT$5.34 billion civil engineering syndicated loan for Kingdom Development Co., Ltd., which was an urban renewal project for unsafe and old buildings in the Fifth Urban Consolidation District of Taichung City. It will be used to build a Silver Class residential building and Bank SinoPac will work with companies to create a sustainable and healthy living environment for the society.

Green Mortgage

Bank SinoPac launched the green mortgage plan in October 2021 and set up a dedicated website for green buildings to provide links to green building qualification inquiries and professional information for green buildings, working together with customers to develop a sustainable homeland. If the real estate of a community has obtained the Green Building Label from the Taiwan Architecture & Building Center, the preferential interest rates are given according to the grade of the label obtained and the credit conditions of the customer, providing customers with a convenient and flexible financial service. As of the end of 2023, the total amount of green mortgage loans reached NT$2.258 billion with a balance of loans totaling NT$2.049 billion.

Core Company Carbon Reduction Services

SinoPac Holdings continues innovation and leads the domestic industry in investing in carbon reduction financial services, including working with external professional institutions to provide one-stop services such as corporate carbon inventory and verification, carbon reduction recommendations, replacement of energy-consuming equipment, or buying and selling of renewable electricity to help companies respond to the new challenges for attaining net zero.

In 2022, SinoPac holdings helped Fu Sheng Industrial Co., Ltd. and AcBel Polytech Inc. commence the introduction of onsite greenhouse gas inventory in the upstream component supply chain by the British Standards Institution (BSI). In 2023, SinoPac continued to work with corporate partners such as BSI to help companies implement front-end carbon inventory and back-end verification. It also provides customers with exclusive discounts for the construction of energy management systems and assists in applications for smart machinery investment credits, which helps manufacturers understand their current conditions and helps enterprises achieve carbon reduction goals. By 2023, it has already assisted more than 10 enterprises in completing their carbon inventories and helped two companies introduce energy management systems, becoming a professional consulting partner in companies' pursuit of net zero transition.

Bank SinoPac organized the "Net-Zero Pioneer Carbon Zero" forum with Chase Sustainability Technology, BSI, and AcBel Polytech Inc. to share their actual experience in the net zero transition with small and medium enterprises.

Bank SinoPac promotes green building financing and mortgage, taking action to achieve environmental net-zero sustainability. In 2023, in collaboration with JLL, it co-hosted the "Real Estate Sustainability Net Zero and Green Finance Forum," joining forces with corporate clients to commit to green buildings.

Products and Services of SinoPac Holdings to Support Energy Conservation and Carbon Reduction

Target customers	Product name	Services	2023 results
Corporate banking clients	Loans to the eco-friendly textiles industries	Bank SinoPac provides loans to domestic textiles companies that intend to apply for bluesign® standard and assists textiles companies with their green transition. (bluesign® is the most commonly used environmental protection standard with the most complete requirements among environmental protection certifications for the global textiles industry.)	As of 2023, Bank SinoPac provided financing to 9 companies with a total balance of NT$3.231 billion.
	Replacement of large diesel vehicles	Bank SinoPac supports the policies of the Environmental Protection Administration of the Executive Yuan in the subsidized interest incentives for vehicle loans for the replacement of large diesel vehicles with voluntary selections to provide services to clients.	151 corporations have applied for the replacement of large diesel vehicles, and the balance of loans was NT$671 million.
Retail banking customers	Green Mortgage	Bank SinoPac offers the exclusive green mortgage program for communities obtained the Green Building Label from the Taiwan Architecture & Building Center (TABC).	The total amount of green mortgage loans reached NT$2.258 billion with a balance of loans totaling NT$2.049 billion.
	Green Card	Bank SinoPac's Green Card are made with more environmentally friendly PETG materials. It provides customers with cash rebates for spending in selected green stores in Taiwan and works with external institutions on forest land rehabilitation to support environmental sustainability with real actions.	The plans were completed in 2023 and the card was launched on January 2, 2024. Bank SinoPac continues to invite customers to join the ranks of green and sustainable development.
	Carbon Calculator	Bank SinoPac worked with Mastercard to introduce the Carbon Calculator. Customers with Bank SinoPac debit cards can activate the "consumption carbon calculation" function to obtain information on the amount of carbon emissions for each debit card payment, boosting customers' awareness of green consumption.	It was launched in October 2022 and 17,908 accounts were activated in 2023. It has accumulated 23,042 users.
	SinoPac SPORT Card	The "SinoPac SPORT Card" offered by Bank SinoPac is the first credit card in Taiwan to offer reward points for calories burned. The product uses a new concept that combines "big data, social network, cloud computing, and wearable devices." Cardholders can convert calories burned each day into reward points through IoT technology.	The "Fun Sport" App was downloaded more than 320 thousand times in 2023, and members walked approximately 154 million km, burning approximately 5.8 billion calories. The transaction amount of the SinoPac Sport Card was NT$3.847 billion in 2023, and the balance of receivables as of the end of the year was approximately NT$500 million.
	Electric vehicle loans	Bank SinoPac supports clean energy in Taiwan in response to the government's "Air Pollution Prevention Action Plan," and encourages customers to purchase low carbon-emission (electric or hybrid) vehicles.	Bank SinoPac provided a total of 120 electric vehicle loans with a total loan balance of NT$62 million.

SinoPac SPORT Card Impact Assessment

SinoPac Holdings referenced the IRIS+ Impact Assessment Frameworks developed by the Global Impact Investing Network (GIIN) to monetize the positive impact of Bank SinoPac's SinoPac SPORT Card and Fun Sport" App on the environment and society. According to the assessment, the related products and services of SinoPac Holdings can reduce social costs by approximately US$5.99 million.

Corresponding IRIS+ impact category: Health

Corresponding Material Topics	Recipient of Impact	Description of Impact	Output Metric	Impact Valuation
Increase service convenience with digital financial innovations	• Environmental • Social • End consumers / customers	Bank SinoPac used consumer financial services and the Internet of Things (IoT) to create a finance sports ecosystem. Customers of the SinoPac SPORT Card and "Fun Sport" App increased the number of steps taken each day and reduced the social costs of carbon emissions in the use of the "Fun Sport" App, which also reduces the cost of medical services for risks associated with cardiovascular diseases.	Average number of users of the App and cumulative number of kilometers in 2023: 49,719 people and 154,718,904km	• Reduced social cost by avoided carbon emissions: US$5,993,461.89 • Reduced cost of medical services: US$22,031,286

Monetization impact pathway:

Assumption: Assume that the reduction in carbon emissions from the number of steps taken is a direct replacement of the carbon emissions from driving a car that runs on gasoline.

Cumulative number of kilometers of App users in 2023: 154,718,904 (km) **X** Carbon emission factor of private small passenger vehicles per kilometer: 1/11.1 x 2.2631 = 0.2039 ($kgCO_2e/km$) **X** Social cost of carbon emissions: 190 ($US\$/tCO_2$) **=** Social cost of carbon emissions reduced due to related products and services: **NT$ 5,993,461.89**

Assumption: Using a tool with a pedometer feature prompts people to walk an average of 2,500 additional steps per day. Walking an additional 2,000 to 10,000 steps per day can reduce the risks of cardiovascular diseases by 8% each year.

Average number of App users in 2023: 49,719 (people) **X** Prevalence rate of high blood pressure of adults over 18 years old: 29.5% **X** Reduction of the occurrence of cardiovascular diseases: 8% **X** Cost of medical services for cardio-vascular diseases (high blood pressure): 18,782 (NT$/people) **=** Cost of medical services for cardiovascular diseases (high blood pressure) reduced due to the use of the App: **NT$ 22,031,286**

Note 1: The source of fuel efficiency for private small passenger vehicles (gasoline) is based on the "2022 Survey Report on the Utilization of Private Passenger Vehicles" published by the Ministry of Transportation and Communications. The carbon emission factor of gasoline is based on the "Greenhouse Gas Emission Factor Management Table Version 6.0.4" published by the Environmental Protection Administration.

Note 2: The source of the social cost of carbon emissions is based on the "Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances" published by the United States Environmental Protection Agency in 2023.

Note 3: The United States National Institutes of Health research report "Step Counting: A Review of Measurement Considerations and Health-Related Applications". It stated that using a tool with a pedometer feature prompts people to walk an average of 2,500 additional steps per day. The customers of the "Fun Sport" App walks an average of 10,000 steps per day. Based on conservative estimates, it is 2,000 steps more than the average in Taiwan (approximately 5,000 steps).

Note 4: The source of the prevalence rate of adults over the age of 18 with high blood pressure is the "Nutrition and Health Survey in Taiwan (2017-2020)" published by the Health Promotion Administration, Ministry of Health and Welfare.

Note 5: The source of the reduction in the cardiovascular disease incidence rate is the report "Daily Step Counts for Measuring Physical Activity Exposure and Its Relation to Health" published by the American College of Sports Medicine in Medicine & Science in Sports & Exercise in 2019.

Note 6: The source of the cost of cardiovascular diseases (high blood pressure) is the follow-up tracking of high blood pressure, hyperglycemia, and high blood lipid published by the Health Promotion Administration, Ministry of Health and Welfare in 2007.

3.2.1.3 Support Agriculture

Agriculture-related Business Loans

Bank SinoPac actively develops a modernized logistics and transaction system for agricultural products, and the outstanding amount of agriculture loans was NT$2.325 billion at the end of 2023, in which the outstanding amount on the Smart Wholesale Market Transaction Facilitation Platform was NT$98 million (including natural persons and corporations), and the balance of loans to agriculture-related companies was NT$2.227 billion.

Smart Wholesale Market Transaction Facilitation Platform

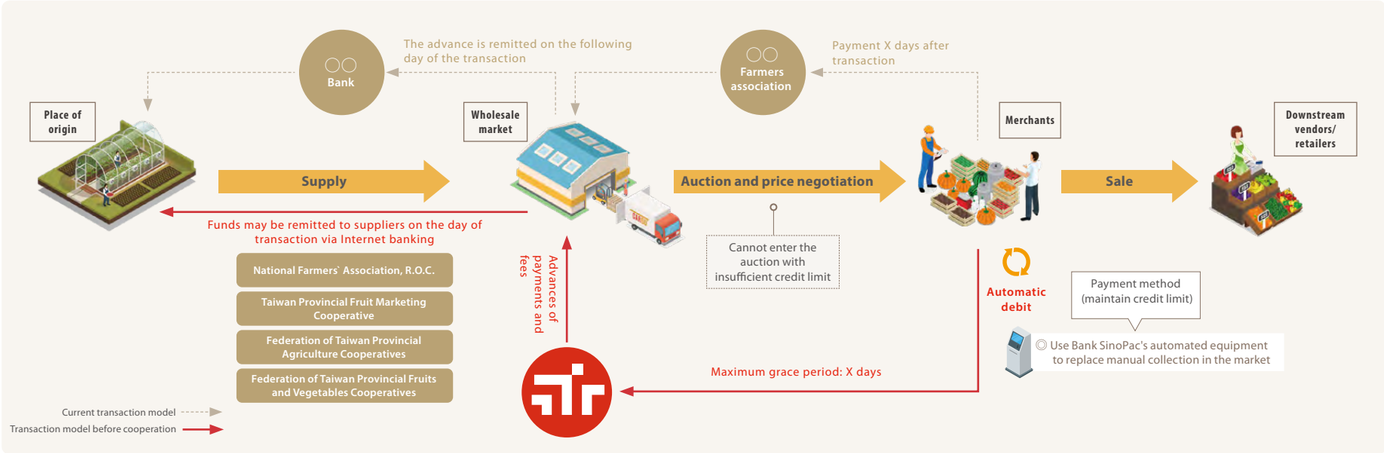
In view of the time-consuming payment process of traditional wholesale markets and the public security risk of carrying cash, Bank SinoPac continued to communicate with the market management unit and merchants and investigated their transaction system and operating procedures. Bank SinoPac created the Smart Wholesale Market Transaction Facilitation Platform in 2016 and issued multi-functional merchant cards and distributor cards for agricultural products along with a credit limit. It provides high-quality exclusive financial services to elderly customers or wholesalers who are accustomed to cash transactions and rarely transact with banks and thus could not obtain financing from banks because they never accumulated records of transactions with banks. It links the cash flow in merchants' accounts to the wholesaler market's electronic settlement system, automatically settles accounts, and controls the manages the transaction limits of the wholesalers. It empowered the transformation of the market operation model and successfully integrated financial technology into the ecosystem of traditional cash payment, which made Bank SinoPac the best partner for agricultural products business transactions.

As of the end of 2023, the Smart Wholesale Market Transaction Facilitation Platform was implemented in 8 wholesale markets in 4 counties/cities, and cooperation models have been established for fruits and vegetables, fishery products, meats, and flowers. The outstanding amount was NT$98 million, the balance of merchant cards and distributor cards issued to corporations was NT$12 million, and the balance of merchant cards and distributor cards issued to natural persons was NT$86 million. In 2022, 143 merchants and farmers were added to the service, and the cash advances totaled NT$8.963 billion in the year. From 2016 to 2023, services were provided to a total of 2,437 merchants and farmers, and the cash advances totaled NT$51.328 billion.

The Smart Wholesale Market Transaction Facilitation Platform not only drives the development of agriculture in Taiwan but also realizes the vision for financial inclusion, providing financial services exclusive to wholesale market merchants who are relatively old and rarely do business with banks. Besides offering the Agroecology Promotion Credit Card exclusively for farmers, Bank SinoPac implemented the small farmers support program in 2022 to provide advancement payment custody services and provide assistance to put the products on the platform. It facilitates direct communication between producers and consumers. After consumers order products from small farmers on the electronic coupon platform, the advance payment is kept by Bank SinoPac, which serves as the intermediary. The system approves the payment allocation only after the agricultural products are harvested and shipped. This process provides farmers and consumers with convenient and secure innovative financial services.

Three main functions of the Smart Wholesale Market Transaction Facilitation Platform		Benefits
Loans and cash advances for merchants	Credit loans are provided based on transaction data, and Bank SinoPac makes an advance payment once the auction is completed	Reduces the cost and risk of collection in wholesale markets, reduces transaction cost, and increases the flexibility of fund use for merchants
Online-to-offline integrated financial services	Using RFID technology, the merchant card can be used for market registration, door access management, and printing transaction details	Lower labor costs in the market
A smart collection of fees in wholesale markets	The merchant card can be used to request payment or automatically debit market management fees and miscellaneous fees	Better operational efficiency and transaction security

With the advance payment custody service provided by Bank SinoPac, small citrus farmers who adhere to friendly farming practices can sell products on the electronic coupon platform.



3.2.2 Social Finance

SinoPac Holdings believes that financial activities are able to reduce the impact of climate change, and financial institutions are also able to use their core business to reduce inequality, drive economic growth, create employment opportunities, and drive social development. SinoPac Holdings supports government policies and aims to meet the expectations of society, closely following how to create an equal financial environment, and providing diverse financial products and services to different groups. The Company strives to provide small and medium enterprises (SMEs) and the financially underprivileged with more convenient financial support that better meets their needs, creating a positive impact on society. The Board of Directors of SinoPac Holdings approved the "Inclusive Finance Policy " on July 21, 2023 as the highest guiding principle for inclusive finance businesses. All business units amended related management guidelines on this basis to implement financial inclusion and provide different communities with access to affordable financial products and services that meet their needs.

3.2.2.1 Economically Underprivileged

COVID-19 impacted the world and the operations of various industries. Bank SinoPac provided relief loans in coordination with government measures to help citizens and companies withstand the impact of the pandemic. From January 15, 2020 to the end of 2023, 8,634 applications have been filed for the government relief measures (including corporate banking, mortgages, credit loans, and car loans) and 8,568 were approved with NT$93.7 million authorized. Credit card applications and approvals totaled 6,311 cases. Four business relief applications organized by Bank SinoPac were filed and 4 were approved with NT$1.4 billion authorized. The outstanding amount at the end of the year was NT$1.175 billion.

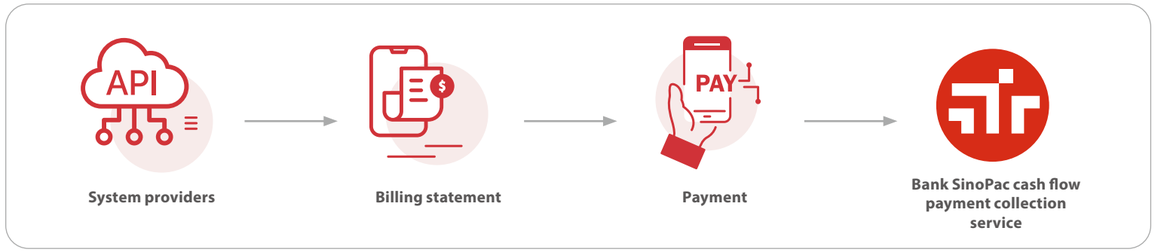
In April 2023, Bank SinoPac launched the "Low Income Personal Loan" to provide economically underprivileged customers with suitable financial services. The Bank offers small incentives and waived service fees for family revolving credit loans for economically underprivileged customers such as families with special needs, single-parent families, and customers aged 30 or above with an annual income of less than NT$400,000. It realizes the spirit of financial inclusion through continuous online consultation and rapid application services. By the end of 2023, the campaign reached 1,021 people through the targeting of potential customers in promotions on LINE.

3.2.2.2 Small and Medium Enterprises (SMEs)

- funBIZ received the 2023 Asia-Pacific Sustainability Action Awards - SDG 8-Decent Work and Economic Growth (Bronze)
- One-Stop Cash Flow Platform received the Best API Initiative Award from The Digital Banker

Bank SinoPac upholds the spirit of inclusive finance and actively utilizes the guarantees provided by the "Small & Medium Enterprise Credit Guarantee Fund of Taiwan (TSMEG)" to provide diverse loan services for SMEs in Taiwan that meet their business models. The outstanding amount of SME loans was NT$325.096 billion in 2023, up 7.3% compared to the previous year.

Bank SinoPac not only designs credit products for the needs of cultural creative companies, community development, and small businesses but also improves the electronic payment and collection abilities of SMEs through digital cash flow services. Bank SinoPac payment and collection solutions for SMEs, which indirectly support the growth of related industries. Bank SinoPac worked with system integration companies in 2022 to create the "One-Stop Cash Flow Platform" in the SME service chain to provide cash flow integration and cloud operation applications for SMEs. In 2023, the Company launched the Enhanced Automated Clearing House (eACH) reserved amount payment deduction system to increase the efficiency of fund collection and payment between corporate head officers and franchise stores. It also streamlined cash flow applications necessary for operating stores to satisfy diverse needs of fund management and salary payment for employees. As of the end of 2023, Bank SinoPac has set up API frameworks to connect the cash flow services with 19 system providers for more than one thousand customers. The services provided to corporate clients and regular people include account inquiries, payment collection, payments and donations, and account verification. The program also provides convenient and rapid fund management services for more than 2,000 clients that include schools and cram schools, community management committees. It connects the existing operations management system with the Bank's convenient and rapid fund management services with a total transaction amount of NT$14.7 billion to accelerate the digital transformation of SMEs.



Bank SinoPac provides self-employed contracted merchants (individual merchants) with "funBIZ", an online cash flow payment collection service with integrated credit card acquirer services and integrates payment collection functions with digital payment collection methods such as credit cards, mobile payment, and virtual accounts. It provides open API connections and a single management platform to help small and medium stores resolve difficulties in digital transformation and account management while simultaneously satisfying consumer needs for secure and rapid payments. As of the end of 2023, it has accumulated more than 3.34 million transactions, and the cumulative total transaction amount was NT$12.721 billion. It helped customer expand their digital business opportunities and supported the government's target of attaining NT$6 trillion in non-cash payments by the end of 2023.

In addition to loan and cash flow services, Bank SinoPac actively supports the development of small, medium, and micro enterprises. Bank SinoPac uses the Business Insight Facebook page created in 2022 to continuously collect related requirements from branch channels and small, medium, and micro enterprises and the difficulties and pain points in business operations from entrepreneurs and small and micro enterprises. Bank SinoPac launched the "DA BOSS" exclusive digital financial service platform on January 3, 2024 to help companies with all the necessary processes from the establishment of the preparatory office and the setting up of the company. It provides integrated solutions such as entrepreneurial financial services and one-stop financial services to help domestic medium and small enterprises and startups to move towards digital transformation.

Small and Medium Enterprises (SMEs) Financial Products and Services

Product name	Services	2023 results
Cultural & Creative Industries Lending Program	Provide financial planning for cultural creative companies in different stages, and long-term funds are provided in hopes of driving the upgrade of cultural creative industries.	Loans were provided to 272 accounts and the balance at the end of the year reached NT$13.888 billion.
Community development loans	In response to the government's "Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings", Bank SinoPac provides assistance in each stage of reconstruction, including professional consultation, trust management, and construction auditing.	Loans were provided to 110 projects and the balance at the end of the year reached NT$21.376 billion.
Small business loans (Note 1)	Numerous policy loans and financing projects are provided for the healthy development of small businesses. Bank SinoPac also utilizes government resources and promotes the guarantees provided by the SME Credit Guarantee Fund, helping small businesses with insufficient collateral to obtain funding, while developing diverse loan services.	A total of 3,323 small business loans were provided, and the balance at the end of the year reached NT$229.355 billion.
Self-employed contracted merchants	Bank SinoPac develops diverse financial services based on the needs of different groups and provides credit card and mobile payment and collection solutions to individual merchants and natural persons who are not registered as a company or for-profit business to promote economic growth and create employment opportunities.	The cumulative transaction amount exceeded NT$227 million.
Micro business loans (Note 2)	Bank SinoPac launched the micro business loans for domestic companies or sole proprietorships with small-scale operations and low total assets. The Micro Business Finance offers 24-hour online applications and consolidates information on micro enterprise loans and entrepreneurial financial resources, and provides personalized advisory services on enterprise loans to support the development of micro enterprises.	908 applications were filed in the current year and 460 applications were approved. The approved amount was NT$2.138 billion, the funds allocated totaled NT$2.003 billion, and the balance of loans totaled NT$1.573 billion. 591 applications have been approved with NT$2.702 billion approved and NT$2.512 billion allocated and the balance of loans totaled NT$1.753 billion.

Note 1: Small businesses must meet the Ministry of Economic Affairs' definition of SMEs and the definition of small businesses in the FSC's Project for Strengthening Domestic Bank Lending to SMEs. In 2023, there were 16 overdue loans or in the collection process and 311 million in loans being collected.

Note 2: Micro businesses are domestic companies or sole proprietorships with an annual revenue of less than NT$150 million and have been in continuous operations for at least one year.

3.2.2.3 Elderly and Persons with Disabilities

✦ Trust Association of R.O.C. Crouching Tiger, Hidden Dragon Group Award for Financial Advisors for Seniors

In response to the financial needs as Taiwan formally becomes an aged society, as well as the FSC's policy to promote asset trust among the elderly and persons with disabilities, Bank SinoPac began offering the "eldercare trust" in 2016, using trust products to protect customers' assets. Besides holding seminars on trust and promoting trust concepts and sharing practical experiences with the elderly, persons with disabilities, or their family members, the Company provides advisory services and business contract signing procedures at customers' homes based on their needs to increase the accessibility of financial services. To provide more professional services, more than on hundred employees of SinoPac Holdings have obtained the license for "Financial Advisors for Seniors" to help elderly customers create suitable property and elderly care plans.

In 2023, 210 customers met the criteria for the beneficiaries of eldercare trusts or persons with disabilities and the cumulative business volume reached NT$239 million. The growth rate was 438%. In 2023, Bank SinoPac organized 41 "eldercare trust" promotional seminars for a total of 2,072 participants to help customers understand the framework and actual applications of trusts. The seminars included financial plans for medical services for the elderly and those with geriatric dementia medicine, wealth heritage, and care for family members. Bank SinoPac also participated in the 4th Taipei International Cares Expo to teach people about eldercare trusts, measures to prevent fraud, and financial planning.

In 2023, Bank SinoPac became the first among financial institutions to launch the Braille combo card. Bank SinoPac's name is directly printed on the card surface in Braille during production, giving the card a permanent identification feature. When a visually impaired person touches the card, he/she can recognize the brand name clearly. The Braille design of the card helps the visually impaired clearly identify and use the card. Bank SinoPac also provides inter-bank service fee discounts and unlimited amount SMS notification service for the people with visual impairments to keep track of their credit card status by using the reader function on mobile phones. Bank SinoPac also provides 3 inter-bank service fee discounts for persons with disabilities each month through online applications to implement the FSC's policy for friendly financial services.

Bank SinoPac launched the first Braille combo card in Taiwan and the Braille design of the card helps the visually impaired clearly identify and use the card

3.2.2.4 Migrant Workers

✦ Bank SinoPac won the "Inclusion and Diversity Award - Taiwan" in the ESG Business Awards 2023 held by the international financial media group-Charlton Media Group for its Financial Solutions for Migrant Workers.

Bank SinoPac observed the inconvenience faced by migrant workers trying to access financial services in Taiwan and implemented the "Migrant Worker Lending Program" in 2013. Bank SinoPac offered the first credit card for migrant workers in Taiwan – "SEA Rewards MasterCard" in 2020, providing a new payment option other than cash to meet the needs of migrant workers. Bank SinoPac organizes seminars on products designed for migrant workers and case studies of financial exploitation in designated migrant worker dormitories and industrial areas. With face-to-face consultation, Bank SinoPac minimizes the risks of migrant workers being trapped by underground loan schemes due to information asymmetry and increases the financial literacy of migrant workers. Bank SinoPac simplified the process from agencies collecting migrant workers' funds to remittance via system integration in 2021 to help migrant workers quickly and securely transfer funds home. In 2023, it added the message function for online loan applications and a dedicated e-mail for migrant worker services to provide more diverse consultation channels for financial services. Bank SinoPac also provides automatic SMS/email notifications for payment reminders, successful payment deductions, and settlement of payments in post-loan services to help migrant workers monitor the status of their loans.

Bank SinoPac held seminars on products designed for migrant workers at corporate facilities

In 2023, the number of Migrant Worker Lending Program loans provided was 2,823 with a total loan amount of NT$256 million. The total cumulative number of Migrant Worker Lending Program loans provided as of the end of 2023 was 15,357 with a total cumulative loan amount of NT$1.187 billion. In 2023, the number of transactions by migrant workers totaled 1.27 million transactions and the total transaction amount was approximately NT$10 billion.

3.2.2.5 Young and Small Capital Customers

✦ SinoPac Securities received the《Commercial Times》2023 Digital Financial Service Award - Excellence in Digital Inclusion Award

Bank SinoPac and SinoPac Securities strive to lower the barrier to financial services, and designed numerous micro-products and services for young entrepreneurs, mortgages, deposits, long-term stock investments, insurance, and funds, so as to comprehensively meet the needs of young entrepreneurs and young, small capital, and underprivileged customers for financial services ranging from house purchase to investment, thereby achieving inclusive finance.

Product name	Services	2023 results
Loans for Startup Funding for Young Entrepreneurs	Provide low interest loans to the persons in charge or investors in startups or business entities that comply with the "Directions of Loans for Startup Funding for Young Entrepreneurs" of the Small and Medium Enterprise Administration, MOEA.	The outstanding amount of loans was NT$1.65million.
First Home Purchase	Offer housing loans to help young customers purchase the first house of their dreams while reducing the burden of their mortgage.	The outstanding amount of loans was NT$44.923billion.
Feng Yun Mortgage digital platform	It integrates fund requirements of homeowners in each stage of their life, providing customized and integrated innovative services such as flexible mortgage payment, House Fun Card, online refinance, and mortgage calculation.	The platform was visited over 2.389 million times, and 296,439 mortgage calculations have been provided.
Preferential deposits	To encourage young and small capital customers to use digital finance early in life, the DAWHO digital account offers new DAWHO customers aged 18-19 a preferential annual interest rate for deposits of 3% for demand deposits within NT$50,000 from July to December 2023. It helps the younger generation develop good habits for saving and wealth management and helps them accumulate deposits faster.	2,217 customers completed account opening during the campaign and the Bank added more than NT$73 million in new demand deposits.
	The Bank provided young people with preferential interest rates for online foreign currency demand deposit. In September 2023, it launched the "Youth and Happiness in 7" 10-day 7.7% additional foreign currency demand deposit rate.	A total of 1,482 participants applied for more than NT$90 million.
Micro-products	Small amount credit loans: After comprehensively reviewing the credit status and repayment ability of individuals (no collateral or guarantor required), the Bank provides individuals with funds to accomplish their plans in life. In 2022, Bank SinoPac launched the "pocket money" service ,it provides convenient financial services for young and small capital customers through small-amount fund financing and a simple and convenient application channel.	35,512 loans were approved with a balance of NT$43.387 billion. 5,922 pocket money applications approved with a total amount of NT$813 million.
	Small amount deposits: Bank SinoPac allows foreign currency time deposits starting at 100 dollars (including USD, RMB, AUD, CAD, NZD, and ZAR) for small capital customers to easily begin saving.	163,187 time deposit certificates were opened with a total amount equal to NT$6.702 billion.
	Small amount funds: Bank SinoPac offers 100-dollar funds with a minimum subscription amount of 100 dollars, lowering the barrier to making investments in numerous markets and industries, and helping small capital customers to manage their wealth more conveniently.	Offered a total of 487 products: 52,278 people placed orders and sales amount reached NT$8.837 billion.
	Small amount insurance: Offered "Fubon Life Insurance Small Amount Whole Life Insurance" for people starting from age 0, providing young, small capital, and underprivileged customers with insurance coverage.	A total of 32 orders were sold with a total sales amount reaching NT$900,000.
SinoPac Stock Savings Plan	"SinoPac Stock Savings Plan" fixed-term and fixed-amount / fixed-term and fixed stocks savings plan was created as a one-stop shopping platform to help small capital customers disperse their stock purchases and engage in long-term investments in ETFs or the stock market in both the Taiwan stock market and US stock market.	• Taiwan stock market: A total of 119,619 accounts were successfully debited, 3.48 million debits were made, and NT$14.743 billion was debited during the year. • US stock market: A total of 34,390 accounts were successfully debited, approximately 720 thousand were made, and approximately NT$7.211 billion was debited during the year.
ShareShares Regular Savings Plan in US Stocks	ShareShares uses inclusive financial services and technology for dividing shares to reduce the minimum investment to NT$1,000 and help young people create an investment portfolio of U.S. stocks.	Approximately 180,000 debits were made and approximately NT$630 million was debited. The asset under management (AUM) totaled approximately NT$640 million.

3.2.3 Other Sustainable Financial Products and Services

3.2.3.1 Sustainable Bonds

Bank SinoPac has issued 6 sustainable bonds since the government launched green bonds in 2017. The cumulative issuance of sustainable bonds totaled NT$10.4 billion, which ranked first among domestic financial institutions. In 2023, Bank SinoPac issued another NT$2 billion in sustainability bonds and the funds were used exclusively for the development of renewable energy and energy technology to continue to support the government's policies for the solar PV infrastructure project and the energy transition. The funds will also be used in investment projects with enhanced social benefits such as the creation of jobs and relief for unemployment.

Results of Sustainable Bonds Issued by Bank SinoPac

Category	Year issued	Total amount issued	Description	Results
Green bonds	2017	US$45 million	The funds were used for loans to energy conservation and environmental protection investment plans.	Green bonds fund utilization report
	2019	NT$3 billion	The funds were used for renewable energy and green eco-friendly industries.	Green bonds fund utilization report
	2022	NT$2 billion	The funds were used for the development of renewable energy and energy technology and the main projects consist of solar PV equipment financing projects.	Green bonds fund utilization report
Sustainability bonds	2020	NT$1 billion	The funds raised were used to assist the development of renewable energy and energy technology as well as social welfare investment plans to create employment opportunities and prevent unemployment caused by social and economic crises, and support SMEs that have been impacted by the pandemic since 2020.	Sustainability bonds fund utilization report
	2023	NT$2 billion	The funds raised were used to assist the development of renewable energy and energy technology as well as social welfare investment plans to create employment opportunities and prevent unemployment caused by social and economic crises and support the financing needs of SMEs.	Sustainability bonds fund utilization report
Social bonds	2021	NT$1 billion	Provided project financing for "Affordable housing", "Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socio-economic crises", and "Socioeconomic advancement and empowerment".	Social bonds fund utilization report

3.2.3.2 Sustainable Investment Products

Issuance of Sustainability Funds

In response to the "Review and Supervision Principles for Disclosure Matters of Taiwan Investment Trust Company Publishing Environmental, Social and Governance (ESG) Theme Fund" announced by the FSC in 2021, SinoPac SITC specified in the "SinoPac SITC ESG Investment and Risk Management and Information Disclosure Policy" that it supports to public offering ESG or sustainability topics funds. The ESG information disclosure of ESG theme funds managed by SinoPac SITC, including "SinoPac Taiwan ESG Plus Fund," "SinoPac Taiwan Target Exposure ESG ETF," "SinoPac ESG Global Digital Infrastructure Fund," and "SinoPac Taiwan ESG Low Carbon High Dividend 40 ETF," which obtained the approval from the Securities and Futures Bureau. The Company also regularly discloses important ESG information on the official website of SinoPac SITC. As of 2023, SinoPac SITC had 4 ESG funds with a total scale of NT$14.2 billion and the annual growth was 55%. The number of beneficiaries increased by 24% and exceeded 110,000 people.

ESG funds	Fund category	Description	Performance as of the end of 2023
SinoPac Taiwan ESG Plus Fund	ESG integration	SinoPac SITC issued Taiwan's first active ESG fund for Taiwan's stock market in April 2020. The fund mainly invests in constituent stocks of Taiwan ESG Index, which is based on the FTSE ESG Ratings and Data Model and includes 14 themes and 300+ indicators across the three Pillars of Environmental, Social, and Governance. The overall ESG score is calculated and the Taiwanese companies with outstanding ESG performance are selected as constituent stocks.	The assets of the fund totaled NT$400 million
SinoPac Taiwan Target Exposure ESG ETF	Investment in companies with Best in Class for ESG performance	SinoPac SITC launched this fund in March 2021. The fund tracks the performance of the FTSE Taiwan Target Exposure ESG Index as its management objective. The underlying index is based on the FTSE ESG Ratings and Data Model and includes 14 themes and 300+ indicators across the three Pillars of Environmental, Social, and Governance. The overall ESG score is calculated and the companies with outstanding ESG performance are selected as constituent stocks.	The assets of the fund totaled NT$9.931 billion
SinoPac ESG Global Digital Infrastructure Fund	Thematic investment	SinoPac SITC launched this fund in July 2022. The fund mainly invests in global digital infrastructure businesses and related industries. Investees are companies with outstanding performance in environmental protection, social responsibility, and corporate governance. The fund used the SynRatings system (6 levels from A to F with A as the best) and the ratings are also based on the Sustainable Finance Disclosure Regulation (SFDR) of the European Union to screen and remove companies in controversial industries and those with lower ESG scores. As a principle, the overall weighted average rating of the fund based on ESG SynRatings is C or above.	The assets of the fund totaled NT$1.756 billion
SinoPac Taiwan ESG Low Carbon High Dividend 40 ETF	Thematic investment	SinoPac SITC launched this fund in July 2023. The fund tracks the performance of Taiwan ESG Low Carbon High Dividend 40 Index compiled by Taiwan Index Plus Corporation. The constituent stocks are based on the carbon emissions of each company and the relative or absolute carbon emissions that affect the revenue of the company. The benchmark index is the "Taiwan Sustainable Investment Survey" established by the College of Business, National Taipei University. It selects constituent stocks with a rating of at least BBB and creates an investment portfolio based on carbon indicators that accounts for ESG, low carbon, and high dividends.	The assets of the fund totaled NT$2.159 billion

Sustainability Fund Sales

Overall ESG fund sales of Bank SinoPac and SinoPac Securities in 2023 was NT$932 million. The overall AUC was NT$3.027 billion. The ESG funds that are sold comply with the European Union's Sustainable Finance Disclosure Regulation (SFDR) invest in sustainability targets, including eco-friendly funds that focus on green energy, water resources, energy transition, climate change, and environmental sustainability. They must also meet the following definitions for sustainability funds to ensure the supply of more diverse investment options that consider ESG to retail banking and wealth management customers.

Definitions of Sustainability Funds

Fund category	Definition
ESG integration	Exclusion of controversial or sensitive investments and systematically incorporate ESG risk factors (such as environmental, social, and governance, etc.) into the investment analysis and decision-making process.
Best-in-Class screening	Investing in activities, companies, or projects selected for their positive ESG performance relative to industry peers. Also known as positive screening.
Thematic investing	The allocation of capital to themes or assets related to certain environmental or social outcomes such as renewable energy, energy efficiency, or sustainable agriculture.
Impact investing	Investments made with the intention to generate positive and measurable social and environmental impacts alongside a financial return.
Others	Other ESG products not included in the four categories above but meet the requirements of Articles 8 and 9 of SFDR.

3.2.3.3 Sustainable Advisory Services

Fixed Income Underwriting

In 2023, SinoPac Securities served as the lead arranger for 2 GSS bonds, including the sustainability bond issued by Bank SinoPac and Taipower Company green bonds with a total amount of NT$1.41 billion. SinoPac Securities also assisted in the underwriting of 12 GSS bonds, including 8 green bonds issued by TSMC (2 bonds), Taipower (2 bonds), Far Eastern New Century (2 bonds), UMC, and BNP Paribas, Taipei Branch, 2 social bonds issued by Far EasTone, 1 sustainability bond issued by Shanghai Commercial and Savings Bank, and 1 sustainability-linked bond issued by HON HAI. The total amount was NT$3.85 billion and the funds raised are mainly used for GHG reduction and renewable energy. Bank SinoPac organized underwriting for 3 green bonds including TSMC (2 bonds) and Taipower (1 bond) with a total amount of NT$2.8 billion.

Securities Listing Underwriting/Consultation and Capital Raising Services

In 2023, SinoPac Securities focused its consultation and underwriting businesses on ESG and sustainable development. The underwriting businesses for public listing and capitalization totaled NT$16.444 billion, including the underwriting for the listing of 8 environmental protection companies with a total amount of NT$6.208 billion. SinoPac Securities serviced as lead arranger in 5 cases for Yeong Guan Energy Technology Group Co., Ltd., Greenfiltec Ltd., convertible corporate bonds of Century Iron and Steel Industrial Co., Ltd. (2 bonds), and co-arranger for convertible corporate bonds for HD Renewable Energy Co., Ltd., Shinfox Energy Co., Ltd., and J&V Energy Technology Co., Ltd. They specialize in environmental protection and renewable energy such as AMC total solutions for pollution prevention, manufacturing of wind power generation equipment, renewable energy development, solar power plant development, construction, and services, and energy storage system solutions. In addition, SinoPac Securities continued the consultation services for the public listing of eco-friendly companies. As of the end of 2023, The Company has assisted 13 companies including Hui Min Environmental Tech Corporation, Revivegen Environmental Technology Co., Ltd., IOVTEC Co., Ltd., Etica Battery Inc., Sun Rise E&T Corporation, Techzone Technology Materials Co., Ltd., Techzone Plum-Monix Industry Co., Ltd., Century Wind Power Co., Ltd., and Yuh Shan Environmental Engineering Co., Ltd. They specialize in marine engineering of offshore wind farms, construction and O&M of underwater foundations, use of pipeline materials for foundations of floating solar energy plants and services, energy storage system solutions, environmental protection technology and renewable energy, incineration and waste disposal, circular economy of waste materials, and water resource treatment engineering and O&M.

SinoPac+ ESG Evaluation System

- Silver Award for ESG Innovation in Institutional Influence Group in the 2023 Taiwan Sustainable Investment Awards
- Won the Taiwan Sustainable Investment Award (TWSIA) in three consecutive years

SinoPac Securities Investment Service Corp. has incorporated ESG into its core research since 2019 and has launched the SinoPac+ ESG Evaluation System with the SASB standards as the core framework in 2021. It uses publicly available information as the source of information for evaluations and uses financially significant sustainability indicators and localized design to classifies companies into five ratings based on their sustainability performance. The evaluation results meet international standards, with advantages of high standards, wide coverage, easy to understand and immediacy and became important metrics for sustainability investment, assisting more corporate and general investors to understand ESG ratings and increasing the visibility of Taiwan stocks in the international ESG investment market. The SinoPac+ ESG Evaluation System methodology and the evaluation results are announced on the SinoPac Securities Rich Club ESG website.

SinoPac Securities Investment Service Corp. continued to increase the number of companies evaluated and completed the evaluations of 502 companies in 2023. SinoPac Securities Investment Service Corp. upholds its missions of sustainable finance and financial inclusion and applies the evaluation system on SinoPac Securities' SinoPac Stock Savings Plan platform to identify companies with excellent performance in both EPS and ESG. It also targets high dividend yield, niche supply chain, or industries with high potential to create a variety of customized ESG portfolios. In 2023, the Company launched 5 stock savings plans associated with net zero emissions and climate for investors and small capital customers to benefit from the long-term growth of high-quality ESG companies, track the carbon reduction performance of stocks in the portfolio, and grasp opportunities for sustainability investment. SinoPac Securities Investment Service Corp. established the first "PCAF Financed Emissions Calculator" for TWSE in 2023 to help financial institutions resolve the calculation of carbon emissions of investment and lending products. Investors can adjust their investment allocation based on the relevant data and track the carbon reduction effect of their investment portfolio. SinoPac Securities Investment Service Corp. won the Taiwan Sustainable Investment Award for this service in 2023.

Wealth Management Advisory Services

In response to the market's demand for corporate ESG information, Bank SinoPac and SinoPac Securities Investment Service Corp. incorporated ESG topics into the weekly and monthly investment report of "Global eBanking Express." Contents include insights into ESG trends, green economy, sustainable finance, and climate plans of each country, helping customers monitor ESG investment trends and raising their ESG awareness. SinoPac Securities issues e-newsletters containing ESG-related information, giving investors an opportunity to understand ESG-related risks and opportunities. Customers of Bank SinoPac and SinoPac Securities can understand ESG investments through the e-newsletter better and raises their ESG awareness. The e-newsletter serves as an engaging channel with the Company's wealth management customers, and 58.11% of the customers of Bank SinoPac and SinoPac Securities was reached in 2023.

Name of Service	Contents of Advisory Services
Promotion of ESG information and trends	Bank SinoPac and SinoPac Securities provide consulting services through SinoPac Securities Investment Service Corp. with weekly/monthly publications on investment or e-newsletters that cover ESG-related topics and help customers understand the latest ESG trends and related risks and opportunities.
ESG individual stock analysis and recommendation	SinoPac Securities uses the SinoPac+ ESG Evaluation System developed by SinoPac Securities Investment Service Corp. to comprehensively evaluate the sustainability performance and risks of investment targets and includes evaluation results into the ESG Equity Note, which allows investors to better understand ESG investments through its ESG evaluation and analysis.
Promotion of ESG wealth management products	Bank SinoPac: Promotes periodic variable investment in ESG funds through digital channels, and created a sustainable investment section on its wealth management digital webpage. Contents include: ESG concepts, trends, and knowledge sharing, allowing customers to participate in and understand environmental sustainability and social issues. SinoPac Securities: Planned an ESG Fund zone on its Rich Club ESG website, and divided ESG funds on the wealth management trust platform by themes based on the characteristics, investment themes, contents, and other key factors. They include natural resources, environmental protection, net zero emissions, and sustainability themes to encourage investors to support environmental, social, and corporate sustainability operations.

SinoPac Securities issues e-newsletters containing ESG-related information to raise investors' ESG awareness

Bank SinoPac issues e-newsletters containing ESG-related information to raise investors' ESG awareness

Bank SinoPac's wealth management digital web page – Sustainable investment section

SinoPac Securities Rich Club ESG website – ESG Fund zone

3.3 Smart Finance

3.3.1 Smart Financial Innovation

SinoPac Holdings actively engages in the development of AI and emerging technologies, and implemented automated operation tools, cloud service framework, and big data applications, helping subsidiaries reduce labor cost and generate synergies from resources.

Results of Smart Financial Innovation Strategies

Application and development of AI technology

- **Business & Marketing**: Identified the "marketing genomes" of every customer in 2022 and used them to develop the corresponding "marketing system by using customer genes". This system can be extended to other settings and applications from product-oriented applications to people (customer segment index), events (behavioral tendency), time (marketing timing), places (marketing channels), things (product preference) for diverse and predictive development. The system received the "Marketing system by using customer genes" utility model patent and "Marketing system and method by using customer genes" invention patent in 2023.
- **Processes & Operations**: SinoPac worked with National Cheng Kung University in industrial-academic cooperation and successfully developed and launched the "Decision-making assistant system for intelligent scheduling" which received a utility model patent in 2023. The AI system is based on past human decision-making patterns and results, supplemented by internal and external operational information, to produce an optimized banknote transportation and replenishment plan. The decisions generated by AI are better than the historical actions of 75% of the branches, which simultaneously improves the management unit's predictions of regional banknote dispatch plans and reduces the frequency of operations and manpower requirements.
- **Risks & Decisions**: SinoPac leveraged the "Eagle Eye Anti-Fraud Alliance" and internal R&D capacity to build AI fraud detection models to strengthen front-end monitoring systems and complete instant preliminary detection in the event of transaction anomalies in accounts. When handling customer account opening or transactions, front-line staff can use alerts generated by AI to cross-reference personal information and detect anomalies. It enhances the accuracy of human judgments and prevents fraudulent transactions in dummy accounts.
- **Technology & R&D**: Financial institutions often use forms to store large amounts of data, including customer information, transaction records, and market dynamics. To improve the performance of deep learning models for tabular data, the company we successfully developed a better tabular neural network by adopting the concept of pre-training of large language models. In 2023, SinoPac published an article in the top global machine learning forum "International Conference on Machine Learning (ICML), which proved that SinoPac Holdings' research is recognized in the academic community and demonstrated our professional skills and technologies in the field of artificial intelligence.

Visual data analytics platform - Tableau Server

- To address the needs for visualization analysis of financial control customers after the completion of the construction of the SinoPac Holdings 360 Customer Single View Database, SinoPac Holdings have created a secure, simple, and flexible visual data analysis platform. It has become a unified user interface for SinoPac Holdings. This platform uses data after de-identification as the basis to provide executives and employees of SinoPac Holdings with an intuitive and easy-to-understand dashboard that displays operational metrics such as the common characteristics of the customers of SinoPac Holdings, commodity holdings, and revenue contribution. It helps us understand customers and monitor business performance. The platform also continuously monitors system operations, accelerates the presentation of operational management metrics, and reduces communication costs with automated data architecture and processes. The analytics platform focuses on security, ease of use, and agility to help SinoPac Holdings make data-based business decisions more effectively.

Robotic Process Application (RPA)

- SinoPac Holdings introduced RPA in three phases, including evaluative experimentation, deduction setup, and roll out of intelligent operations, to streamline the complicated operating procedures for front-line personnel and increase the digital capabilities of all employees. More than 240 processes have been launched in 29% of the departments of subsidiaries such as Bank SinoPac, SinoPac Securities, SinoPac SITC, and SinoPac Leasing. The Company also launched amateur development projects in 2022 to help employees with ideas implement process automation capabilities and magnify the RPA development volume. The overall effects of the launch have reached 70,000 hours per year.

Open Data Cloud Platform - Crawler Portal

- SinoPac Holdings completed the development of multiple cloud experimentation environment and accelerated proof-of-concept implementation to create SinoPac's first Open Data Cloud Platform. This platform integrates cloud serverless technology with the unique characteristics of crawler programs to provide abundant, diverse, and easy-to-access open data application services based entirely in the cloud. It allows employees to collect and use business information more effectively. The platform supplies more than 190 external open datasets including government public data, macroeconomic data, financial products, and housing prices.

Strengthening the digital patent management system (TIPS)

- SinoPac Holdings launched the digital patent management system in 2020 and received Level A certification for the Taiwan Intellectual Property Management System (TIPS) in 2023.
- In 2023, SinoPac Holdings obtained invention patents for the "Marketing system and method by using customer genes" and "Smart real estate evaluation system" as well as the utility model patent for the "Marketing system by using customer genes". Bank SinoPac obtained the "Selection method and device for branch offices" invention patent and "Decision-making assistant system for intelligent scheduling" utility model patent. SinoPac Holdings and its subsidiaries actively develop patented technologies related to digital applications, and continue to lay the groundwork for applications in digital settings and financial innovation.

Industry-academia Collaboration in Smart Finance

SinoPac Holdings continues to communicate with the IT and R&D teams to accelerate the transformation and actively cultivates new-generation FinTech talent through industry-academia collaboration. The Company began phase one collaboration with National Cheng Kung University (NCKU) in 2017 and engaged in research on credit rating reports, precision marketing, product recommendations, and blockchain technologies. SinoPac Holdings invested another NT$80 million in 2020 for phase two to implement numerous projects through 3 core principles: new technologies, new frameworks, and new businesses. Since 2021, the Company jointly established the Industrial Master Program in Financial Technology and Computer Engineering together with the Department of Computer Science and Information Engineering, NCKU, and recruited students with expertise in different fields of technology, in hopes of cultivating interdisciplinary talent with in-depth knowledge. SinoPac Holdings has developed AI exchange rate prediction, personalized fund recommendation, precision marketing for electronic coupon customers, financial innovation application service scenario studies, and web crawler development and maintenance to support incubation and matchmaking. SinoPac Holdings activated phase three collaboration in September 2023 and launched the SinoPac business accelerator to provide professional counseling and business transformation programs. SinoPac Holdings plays the role of the angel investor to cultivate and attract entrepreneurs of startups and support their business targets. The Company also continue to support students in contests in Taiwan and foreign countries so that we can work on SinoPac's technology roadmap together and accelerate innovation in the industry.

Furthermore, SinoPac Holdings and Soochow University jointly started an industry-academia collaboration project in 2021 with plans for financial ecosystem research, next-generation FinTech talent cultivation, and FinTech forums. The Company aims to use the "Innovation and Practice Platform" to intensify the research on the needs for innovative ecosystem developments and train and recruit more interdisciplinary talents to enhance increase employees' knowledge and skills in FinTech. In 2023, SinoPac Holdings jointly implemented phase two industry-academia collaboration and organized 2 forums on "information security and financial technology innovation" and "embedded finance" with the aim of exploring new economies and customer groups, expanding interdisciplinary talent development, and increasing the influence of FinTech to continue to develop brand-new FinTech applications.

SinoPac and National Cheng Kung University commenced phase three industry-academia collaboration and activated the SinoPac business accelerator in 2023

SinoPac Holdings and Soochow University commenced phase two industry-academia collaboration and organized the "SCU-SinoPac Financial Technology Forum" to explore important emerging issues in 2023

3.3.2 Smart Financial Innovation Services

"DAWHO" X "DAWHOTOU" Integrated Digital Services

DAWHO

- 《Asiamoney Best Bank Awards》Best Bank for Digital Solutions
- 《The 20th National Brand Yushan Awards》Best Product Award
- 《ABF Retail Banking Awards 2023》AI & Machine Learning Initiative of the Year
- 《2023 Harvard Business Review Digital Transformation Award》Business Model transformation Prize
- 《The Asset》Triple A Digital Awards

DAWHOTOU

- 《The 17th Golden Goblet Awards》Outstanding Financial Innovation Award from the Securities & Futures Institute for DAWHOTOU FinTech Financial Services Ecosystem
- 《International Business Magazine》Best Digital Finance Experience Award in Taiwan
- 《World Business Outlook》Best Financial Service Innovation in Taiwan
- 《Finance Derivative》Most Innovative Digital Exchange Platform in Taiwan
- 《The 20th National Brand Yushan Awards》Best Product Award
- 《2023 Wealth Management Award of Wealth Magazine》Best Printed Marketing in Securities

Bank SinoPac's integrated digital account "DAWHO" has received wide acclaim and support from the younger generation since it was launched in 2019 and the total number of accounts opened has exceeded 1.569 million. Bank SinoPac set up the exclusive DAWHO App in 2020 and has continued to enhance the integration with SinoPac Securities' DAWHOTOU with the launch of account opening integration, transaction connection, and learning integration. In 2023, Bank SinoPac improved the account access procedures and added NFC detection of the Citizen Digital Certificate and video verification. It also strengthened the links for securities functions and added a pathway for issuing orders from the securities inventory page to remove obstacles in trading on the DAWHO App and provide customers with a more secure and convenient financial experience. The "DAWHO SELECT Digital Ecosystem" was launched in December 2022. It was the first service in the industry to provide an exclusive digital membership card to integrate online and offline settings and enhance the digital finance service experience. It received several awards in Taiwan and oversea in 2023.

The DAWHO SELECT Digital Ecosystem allows users to access coupons and offers with ease on the exclusive DAWHO digital membership card and enjoy convenient digital life.

SinoPac Securities became the first in the industry to launch the online account opening service with the unique feature of applying for 6 accounts in 3 institutions in 1 application. SinoPac Securities launched the "DAWHO + DAWHOTOU" online account opening service in collaboration with Bank SinoPac towards the end of 2019. It became the first joint account opening application and account opening progress inquiry service for both banking and securities in the industry. In 2022, SinoPac Securities worked with SinoPac Securities Investment Service Corp. to incorporate the online account opening service into the membership application of SinoPac Securities Investment Service Corp. When an investor completes account opening, he/she will have access to six accounts including the NTD savings account, foreign currency savings account, and trust account of Bank SinoPac, the "DAWHOTOU" domestic trading account and sub-brokerage account of SinoPac Securities, and membership of SinoPac Securities Investment Service Corp. In 2023, SinoPac Securities became the first in the industry to launch the integrated bank and securities account inquiry service for investors that use Bank SinoPac for their securities account to view the transaction details and balances in the last 7 days, thus increasing the convenience of fund planning.

In addition, SinoPac Securities' digital wealth management investment account "DAWHOTOU" App continued to optimize the "smart order " function and expanded the scope of transactions to the Taiwan Stock Market, US stock markets, and options markets and launched smart orders for 17 application scenarios. It also integrated the 3 major transactions including market monitoring, order placement, and order deletion and revision on one page. It introduced the dual quality management technologies including "Quality of Service (QoS)" and "Quality of Experience (QoE)" to empower product and service upgrades and provide investors with a simple and efficient digital investment experience.

The DAWHOTOU App adopted the " Making Efficient and Superior Investments " as the core concept to provide a simple interface and comprehensive functions to improve the stock selection and order placement experience.

DACARD

- 《ABF Retail Banking Awards 2023》Mobile Banking & Payment Initiative of the Year - Taiwan

Bank SinoPac released the payment and credit card management App DACARD at the end of 2021. The App integrates online payment and credit card management functions and supports a variety of payment methods and payment tools, including real-time payment inquiry, QR code scan to pay, online payment application, and accepting over 50 payment items, including water, electricity, and gas bills, telephone bills, credit card payment, health insurance premiums, and national annuity. In 2023, it added Taiwan Pay scanner and QR code for scanning functions to expand the scope of payment services. Bank SinoPac will continue to provide consumer services for diverse settings and improve the user experience while increasing user loyalty and creating a convenient contactless environment for online financial services. As of 2023, it accumulated 570 thousand transactions with a total amount of NT$4.057 billion.

The SinoPac Charity Donation Platform

- 《 The 20th National Brand Yushan Awards》Best Product Award

The SinoPac Donation Platform utilized the collection API to integrate Bank SinoPac's funBIZ and SinoPac Paybill cashflow services. Organizations receiving donations simply convert donation URLs into QR codes, and online donors will be completed by scanning with mobile phones. The system selects the payment service with the lowest cost to significantly lower processing fees.

Bank SinoPac has a professional product team that helps collaborating organizations introduce online digital donation services and helps organizations receiving donations check account and donation details in real time to reduce labor and management costs. It offers additional analysis on the characteristics of donors and the amounts of donations with the aim of enhancing the systematic and efficient organization of public welfare organizations through product services, and resolving the difficulties that small and medium charities face in fundraising due to the low band exposure. The platform added 25 charity organizations in 2023. It also revamped the main visualization elements and improved the backstage institution management functions. Since the launch of the service, 70 institutions have joined the platform, which has facilitated approximately 16,600 transactions totaling more than NT$39 million in donations.

The SinoPac Charity Donation Platform supports public welfare organizations/social enterprises. It aims to achieve "low barriers to entry and high returns" to help organizations systematically improve fundraising efficiency and reduce labor and time costs. It maximizes the social impact of the contributions of every donor.

Open Banking Partner APIs

In response to the FSC's open banking policy, Bank SinoPac released the Partner APIs (Application Programming Interfaces), and shared financial innovations with startups and third-party service providers (TSP), providing extensive applications in "corporate banking," "consumption payments," "daily life payments," "identity verification," and "open banking," which extend financial service scenarios. Bank SinoPac launched brand-new API procedure management systems and functions in 2023 including system settings for whitelisted merchants, management of exclusive keys of merchants, and applications for API authorization. It effectively resolves complicated paper-based application procedures to provide merchants with more flexible and more secure management methods while strengthening the reliability of digital financial transactions. As of the end of 2023, it accumulated 7.8 million consumer payment transactions with a total amount of NT$22.74 billion; 984 thousand daily life payment transactions with a total amount of NT$7.545 billion; 1.169 million identity verifications; 2.76 million open banking inquiries.

SinoPac Securities developed multiple APIs for transactions and provides quotations, orders, reports, and historical price data services for domestic and overseas securities, futures, and options markets. They include Python, which has gained popularity in recent years. Customers can use the SinoPac Securities API to obtain quotations from domestic and overseas securities, futures, and options markets and issue orders directly. SinoPac Securities also hired program trading experts with diverse specialties to help clients solve program development problems, and continues to work with several FinTech companies for program traders to develop program trading modules or financial application platforms. In 2023, the cumulative transaction volume was NT$271.7 billion, up 8.37% compared to 2022.

SinoPac Securities promotes digital finance and organized the "41AI" event for the 5th consecutive year in 2023, presenting a new vision of quantitative trading for Taiwan's stock.

Highlight Products and Services of SinoPac Holdings' Smart Financial Innovation Services

Item	Item Introduction	2023 Performance and Results
SinoPac Robot Advisor-ibrAin	It provides automated investment advisory services with the best algorithms and big data precision computing for the public to access digital management services. It uses a brand-new AUM pricing and charging model with low barriers to entry and low fees to realize universal financial services and create a friendly investment experience.	• Bank SinoPac's "SinoPac Robot Advisor-ibrAin" is the first to combine "employee investment and retirement platform" and eldercare trust services to provide automated investment advisory services for diverse customer groups and continue to support financial inclusion. • In 2023, the AUM of "SinoPac Robot Advisor-ibrAin" smart wealth management increased by 25% compared to the previous year ✦ 《Private Banking Awards 2023》 Best Digital Private Bank in Taiwan ✦ 《The 20th National Brand Yushan Awards》 Best Product: Employee Investment and Retirement Platform ✦ 《The 3rd Trust Awards of Commercial Times》 Excellence for Best Employee Benefit Trust Innovation Award
SinoPac Stock Savings Plan	It integrates account opening, AI services, orders, and performance management, and provides a trading platform for stock savings in Taiwan and US stock markets, so that investors can invest in stocks in different markets.	• SinoPac Securities' "SinoPac Stock Savings Plan" launched a dividend inquiry functions for both the Taiwan and US stock markets, and became the first in the industry to provide customers with details on dividends in both the Taiwan and US stock markets. It automatically adds up the total dividends to help customers use dividends earned to support investments.
"FengYun Academy" Knowledge Service Platform	The platform is the first in the industry to use the concept of "upholds the core ideal of uninterrupted digital services" and links three major services including online account opening, product trading platform, and financial education materials. It provides investment knowledge through text, audio, and videos to help investors understand capital markets and sustainability-related investment topics.	• SinoPac Securities launched "Rich Club 2.0" in 2023 and divided contents into 8 major investment columns based on customers' investment progress to provide comprehensive education materials and help investors grasp investment opportunities. • Rich Club accumulated 32.59 million views as of the end of 2023. ✦ 《The 20th National Brand Yushan Awards》 Most Popular Brand: Rich Club - Investment Indicator
Rich Club ESG website	"Rich Club ESG website" integrates research and evaluation results of SinoPac Securities and SinoPac Securities Investment Service Corp., and includes five highlights, namely the SinoPac+ ESG Evaluation System, SinoPac ESG investment portfolio, SinoPac ESG sustainability fund series, ESG funds, and insights into trends.	• SinoPac Securities set up an ESG Fund zone on its Rich Club ESG website, and divided ESG funds on the wealth management trust platform by themes. They include sustainability themes to encourage investors to support environmental, social, and corporate sustainability operations. • It became the first dedicated ESG website of domestic securities firms and its digital website provides investors with information on global ESG investment trends.
DAWHOFONE	DAWHOFONE is the first smart wealth management App in the industry. It is based on the core concept of "AI X Allocation Makes Portfolio Perfect " and uses digital intelligence services for wealth management to help investors configure the investment weights of various types of assets and optimize the efficiency of asset accumulation.	• SinoPac Securities launched the brand-new DAWHOFONE App in 2023. It became the first in the industry to provide one-stop asset overview function and integrates 7 major types of products, including Taiwan stock market, sub-brokerage, domestic and foreign options, funds, bonds, structural products, and cash management products. It provides the information on the current performance of an individual's total assets and investment products and helps customers implement effective cross-asset allocation. • "The DAWHOFONE App" provides a fund trading platform and launches small-capital foreign bonds. The entry barrier for purchasing bonds was lowered from US$10,000 to US$2,000 to help small capital investors to accumulate assets with ease. ✦ 《2023 Taiwan Financial Awards》 Wealth Magazine FinTech Innovative Application Award - Best FinTech Securities Premium Award: DAWHOFONE App ✦ 《The 22nd Golden Peak Awards》 Outstanding Commodities: DAWHOFONE App ✦ 《2023 Wealth Management Awards》 Wealth Magazine Financial Services Innovation in Securities: DAWHOFONE App

Flipping the Branch Service Journey with 100% Paperless Operations

✦ 《Asiamoney》 Best Bank for Digital Solutions

Bank SinoPac uses the 3S core principles including "optimization of traditional procedures (Smooth) ", "smart services procedures (Smart) ", and "personalized over-the-counter banking services (Sweet) " to create comprehensive digital banking branch services and flip the service procedures of physical branches. It achieves energy conservation and carbon emission reduction and reduces financial entry barriers to support inclusive finance. The digital transformation is no longer a mere slogan but a mature mechanism that can be used in all business sites in Taiwan.

Optimization of traditional procedures (Smooth)

- iBranch platform / O2O2O Banking Omnichannel integration platform / eNote paperless green counter services

Bank SinoPac established online pre-filled form and reservation ticketing mechanisms to connect online and offline services, accelerate the efficiency of business operations, reduce the risks of data leakage, and achieve energy conservation and carbon emission reduction more effectively. The iBranch online ticketing usage rate in 2023 was 20%. The reservation service/pre-filled form functions were used a total of approximately 180,000 times. It also used e-paper technology to accelerate the digitalization of over-the-counter forms and make use of electronic signatures, online reviews, and automated payments. It reduced paper consumption and increased the efficiency of payments in branches. In 2023, Bank SinoPac used eNote to reduce the use of paper for transactions by 6.79 million sheets. With cloud account opening, the iPad TOGO App, digital receipts, online ticketing, and other digital procedures, it reduced the paper consumption by approximately 12.11 million sheets.

Bank SinoPac creates comprehensive digital banking branch services

Smart services (Smart)

- palm vein authentication - high-security biometrics technology

✦ 《The Asset》 Triple A Digital Awards 2023 - Best Biometrics Project, Taiwan
✦ 《Business Next Future Commerce Awards》 Gold Award for The Best Experience Innovation
✦ 《Asian Banking & Finance》 Branch Innovation of the Year- Silver
✦ 《the 20th National Brand Yushan Awards》 Best Product Award

Palm vein authentication uses visualization technology and the principle of vascular pattern authentication to obtain biometric data. The data is less likely to be falsified and it also significantly reduces the risk of contact. Bank SinoPac led the industry by introducing palm vein biometrics technology for over-the-counter applications. With digital forms, it completes identity authentication in just 3 seconds. Palm vein biometrics can now be used to complete more than 70 business items in Bank SinoPac and allows customers to complete deposit, withdrawal, and remittance services at ATMs, removing the complicated procedures for identity document verification, seals, and cards. "Contactless" authentication instills in customers a sense of hygiene and security. It reduces transaction processes, improves service quality, and reduces counterfeit transactions. Cardless deposit/withdraw/transfer/balance inquiry functions using palm veins were used over 124 thousand times in ADMs in 2023.

Personalized over-the-counter banking services (Sweet)

- TOGO App - A mobile bank teller that meets customer needs

✦ 《Commercial Times》 2023 Excellence in Digital Service Award in Bank Group in the 3rd Digital Finance Award Floating Teller-A Boundary-Breaking 360-Degree Financial Service Experience"
✦ 《The Asian Banker Taiwan Awards 2023》 Best Frictionless Customer Experience Initiative in Taiwan-Customer 360° View

The iPad TOGO App was deployed throughout Bank SinoPac to help employees provide customers with account opening and transaction document collection services without spatial constraints while enhancing personal data protection and internal control. In 2023, there were approximately 19,000 collections, approximately 23,000 digital savings account upgrades, and 325,000 (325,861) image uploads, amounting to approximately 368,000. The "Online Account Opening for Foreigners" set up in 2022 allowed adult foreign nationals to apply online for reservations for opening NTD, foreign currency, and trust accounts, which improved the financial service experience of foreigners in Taiwan. Bank SinoPac also provides the "account opening outside branches and loan applications with video call identity verification by second employee", in which one employee visits the customer and works with a second employee in video conferencing for identity verification. With the Account Opening on Cloud service, the passbook, bank card, and password slip can be provided during the identity verification to improve customer services. The 360-Degree customer service platform integrates multiple data and customer genetic models to delve into branch service procedures and provide employees with precision service guidelines to create a personalized over-the-counter experience that meets customers' needs.

3.3.3 Digital Service Promotion Results

Bank SinoPac has made important contributions to better customer satisfaction and operational efficiency and lower costs. Bank SinoPac subsequently offered online credit card applications, Internet banking upgrades, cardless withdrawal, and electronic payment platforms, using technologies to provide personalized services and better customer experience.

Bank SinoPac digital service indicators

Item	2021	2022	2023
Number of digital deposit accounts (Note 1)	1,085,699	1,344,133	1,569,948
Number of mobile transactions	18,955,846	22,393,425	27,019,271
Ratio of electronic payments (amount of electronic payment (Note 2) / total amount of payments that year)	55%	62%	62%

Note 1: Please see 3.3.2 Smart Financial Innovation Services for details on related products.

Note 2: Electronic payment amount (according to FSC non-cash payment transactions): Amount of online transactions, ATM transactions, mobile payments bound to accounts and credit cards, and payments using physical credit cards. The total amount of payments that year: Total amount of transactions through physical and electronic channels

SinoPac Securities launched the DAWHOTOU digital wealth management investment account in 2019. As of the end of 2023, over 80% of investors operated entirely online, and are able to open an account for Taiwan's stock market and overseas sub-brokerage at the same time. The simple and convenient account opening services improve customers' digital experience and significantly contribute to the share of voice, customer satisfaction, and operational efficiency.

SinoPac Securities digital service-related indicators

Item	2021	2022	2023
Number of accounts opened online	148,499	112,556	98,568
Total number of accounts opened	177,783	137,377	121,744
Ratio of accounts opened online (number of accounts opened online / total number of accounts opened that year)	84%	82%	81%
Ratio of electronic transactions (amount of electronic transactions / total transaction amount that year)	82%	83%	85%

3.4 Customer Relations

3.4.1 Principle for Financial Service Industries to Treat Customers Fairly

SinoPac Holdings actively establishes a corporate culture of treating customers fairly and friendly finance. Subsidiaries established rules and regulations relating to the "Principle for Treating Customers Fairly" to ensure that in providing products and services to customers, they can treat customers fairly from design, advertising, sales, contract performance, to service advisory. In 2023, SinoPac Holdings established the "Responsible Marketing Guidelines " as the guiding principle for promoting and implementing responsible marketing. SinoPac Holdings and its subsidiaries established regulations based on the business scope and characteristics of products to ensure that the financial products or services provided implement responsible marketing. Please refer to the official website of SinoPac Holdings for details on policies for treating customers fairly .

SinoPac Holdings continues to implement measures to deeply embed the culture of treating customers fairly and strengthens system monitoring and information security through three lines of defense, including business units, compliance and risk management, and audit. Bank SinoPac and SinoPac Securities both established the "Treating Customers Fairly Committee" and initiative groups to oversee the implementation. In 2023, Bank SinoPac obtained the approval from the Board of Directors for the attendance of independent directors in the Treating Customers Fairly Committee. It is committed to internalizing the principle of treating customers fairly as a code of conduct for all employees and thereby implementing consumer protection and fulfilling corporate social responsibility.

In addition, SinoPac Holdings and subsidiaries regularly provide training on treating customers fairly for related personnel. In 2023, SinoPac Holdings and all subsidiaries provided training to over 81,000 participants, and topics included the Financial Consumer Protection Act, introduction to the principle for treating customers fairly, and patterns of consumer disputes and case studies. Subsidiaries of SinoPac Holdings also organized activities such as calling for creative solutions for treating customers fairly and friendly services and quizzes to strengthen employees' awareness for treating customers fairly. As Taiwan gradually becomes an aging society, the financial industry is responsible for providing convenient financial services to the elderly and must actively protect their rights to minimize potential risks for the elderly. Bank SinoPac, SinoPac Securities, and SinoPac SITC continue to implement the principle of treating customers fairly and provide friendly financial services.

Subsidiary	Treating customers fairly	User-friendly financial services
Bank SinoPac	• The Board of Directors approved the "Fair Customer Treatment Principle Policy and Strategy" and "Consumer Protection Policies and Regulations" to implement treating customers fairly and financial consumer protection. • In 2023, Bank SinoPac established "Integrity Behavior Risk Assessment System" for evaluating risks of unethical conduct and internal fraud. It uses a risk-based approach to evaluate operations and provide the evaluation results to the audit units as reference for the audit to ensure the adequacy and effectiveness of all risk prevention measures. • In 2023, Bank SinoPac activated the "Treating Customers Fairly Consultation and Guidance Project" and appointed external consultants to review the important measures for the principle of treating customers fairly, propose improvement plans for the customer complaint operating procedures, and continue to monitor major consumer disputes and improvement status. • Strengthen the communication and protection of the young, vulnerable, and elderly, enhance the disclosure of credit review information to young customers, reduce the digital gap for the elderly and the vulnerable, and plan measures to assist low-income individuals with loans and debt negotiation.	• Established the "Treating Customers Fairly and user-friendly financial services website " of Bank SinoPac to provide customers with convenient and rapid access to information on friendly financial services. • In 2023, Bank SinoPac planned the upgrade of various software/hardware friendly facilities (measures) such as posting signs for friendly financial services at the entrances of branches and setting up counters for financial friendly services. • Added the priority "Friendly Services" ticketing option in the ticketing machine in branches to provide priority services to the elderly, persons with disabilities, and persons with mobility impairments. • Added the 24-hour English customer service hotline to provide foreign customers with friendly financial services.
SinoPac Securities	• Elevated the organization for treating customers fairly to a committee, which is responsible for supervising and implementing related matters for the principle of treating customers fairly, and establish a treating customer fairly accountability system. • Strengthened risk management of products and categorized fund products with higher risks into different levels of control with measures such as requiring fund subscription over the counter, refusing new subscriptions, etc., and restricting the purchase of specific bond products to high-asset clients. Added KYC questionnaires with a limit on the number of evaluations on a given day and a cooling-off period for re-evaluation to strengthen KYC audit mechanisms. • Developed risk assessment mechanisms for against unethical conduct and established measures to strengthen the management of the ethical conduct of employees, including understanding the credit and financial status of business personnel and requiring adherence to the principle of good faith in business solicitation and services. • Completed improvements to the treating customers fairly section on the official website in October 2023 and added links for friendly financial services, policy sections of the competent authority, and anti-fraud promotions.	• Improve care mechanisms for elderly and young groups: Set notifications or provide care with sales employees to elderly and young customers when their investment/loss reaches certain thresholds. Established a hedging control mechanism so that if the hedging transaction reaches a certain level on the same day, a salesperson will conduct an interview and adjust the limit to avoid continuous losses. • Linkage to performance evaluation: Set bonus point items for KPIs of channels to encourage the fair treatment of persons with disabilities. Cases where special services are provided can be submitted to the Honor Reward/Penalty Evaluation Committee for rewards. • Set up interpretation machines in 4 branches to provide services for foreign customers.
SinoPac SITC	• Strengthened the training for "Promotion of the Principle of Fair Treatment for Customers" and "Introduction of Financial Consumer Protection Act" course to strengthen employee awareness. • Revised the regulations for bonuses for sales personnel by increasing the number of non-financial indicators to account for factors such as performance and potential risks and comply with the principle for attaining balance between remuneration and performance.	• Adjusted the parameters for "elderly consumer transaction monitoring" to increase the effectiveness of the monitoring and implement the protection of elderly consumers. • A friendly financial service web page is set up on the official website and a customer service hotline is set up for dedicated personnel to provide consulting services. Assign service personnel to reception areas to help persons with disabilities with related businesses. • Provide retirement planning products: "SinoPac Fund" issued the R-rated fund which was launched on the FRS Well-Prepared Retirement Platform. As of the end of 2023, the scale of investments in the rating increased to NT$14.5 million to provide citizens with choices for retirement investments.

3.4.1.1 Financial Fraud Prevention Education and Results

- Bank SinoPac received an award for the outstanding performance of bank employees in the "Financial Institutions Anti-Fraud Summit" organized by the Bankers Association
- Bank SinoPac received commendation as excellent financial institution for "Fraud Prevention Capacity" from Taipei City Police Department

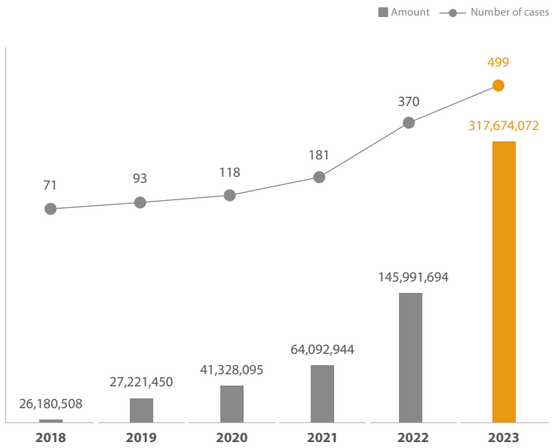
Bank SinoPac upholds the spirit of treating customers fairly and continues to implement fraud prevention. Internally, Bank SinoPac regularly communicates fraud prevention procedures, updates information on practices, establishes fraud prevention case models, conducts robbery prevention exercises, and reviews daily management and monitoring reports. The Company established a blocking mechanism for the account opening of watch listed accounts, and built an AI account opening review model by analyzing the characteristics of the customer base to achieve early detection and alerts. Bank SinoPac has also strengthened the monitoring of new forms of fraud and continues to enhance the identity verification mechanisms to reduce the incidence of online fraud. In 2023, Bank SinoPac and Taipei City Police Department jointly launched anti-fraud education videos and SinoPac Holdings signed a letter of intent on collaboration for the "Establishment of red and blue teams to enhance information security, anti-fraud alliance, and technical exchanges" with the Criminal Investigation Bureau of the Ministry of the Interior in December 2023. We prevent financial crimes through the cooperation of the police and banks and protect people's assets with the utmost care. In 2023, branches in Taiwan blocked 499 cases of suspected fraud and the cumulative amount totaled NT$318 million.

In 2023, SinoPac Securities continued to implement fraud prevention measures such as providing care over the counter, notification of fake investment information, notification of abnormal foreign IP login, abnormal transactions, and fraud alerts. The Company has also incorporated fraud prevention into its internal training programs, set up a special area on its website for fraud prevention, and reminded investors to exercise caution in determining the validity of information through diverse channels such as the online platform and various in-person activities. The Bank also supported the "Financial Services Charity Carnival" organized by Taiwan Financial Services Roundtable to actively communicate the correct approach to investment and financial management and increase the fraud prevention awareness of customers, young students, and the general public.

SinoPac Holdings became the first company to work with the Criminal Investigation Bureau on the "Information Security Red and Blue Team Exercises and Technical Talent Cultivation"

SinoPac Holdings jointed the "Financial Services Charity Carnival" in 2023 held by the Taiwan Financial Services Roundtable (TFSR) to increase the financial literacy through fun games.

Number of Fraud Cases and Amount Prevented by Bank SinoPac



Note: Bank SinoPac effectively prevented 1,332 cases of financial fraud from 2018 to 2023, and the total amount was NT$622 million.

3.4.1.2 Communication of Product Information

The design and promotion of all products of SinoPac Holdings and its subsidiaries are in accordance with the "Financial Consumer Protection Act," "Personal Data Protection Act," and regulations of SinoPac Holdings and its subsidiaries related to compliance and risk management. The fee rates of products are consistent with industry standards and risks are disclosed according to regulations, ensuring both customer rights and interests and service efficiency. There were no losses from information and labeling of product sales and services or litigation in 2023.

SinoPac Holdings Product Management Policy
All new businesses and products must comply with risk assessment and management procedures, as well as various management mechanisms, and must be approved by the internal audit, compliance, or risk management unit or the Board of Directors.
Legal documents signed with customers, in principle, must be reviewed by the Company's attorney, compliance unit, or legal affairs unit to verify that the rights and interests of the Company and customer are properly protected before the documents may be used.
If business units or the credit review unit has any questions regarding the law, they may ask the attorney, accountant, or competent authority for an explanation or clarification orally or in writing.
To ensure that transaction management personnel strictly abide by the Company's basic principles for various transactions, the subsidiaries established the "Regulations for the Management of Sales Personnel" and "Transaction Management Regulations," and established complete "Employee Rewards and Punishment Standards" to prevent employees from violating the law or misleading consumers.
Emphasize the fairness of transaction terms, and avoid illegal conduct or misleading consumers in communication and advertisements for products and services.
Regularly review related policies and regulations.
The sale of controversial products is prohibited, and internal transaction management regulations were established to strictly prohibit transactions with companies or individuals that engage in illegal transactions.

3.4.1.3 Accessible Financial Services

Bank SinoPac complies with the "Banking Industry Financial Friendly Service Guidelines" established by the Bankers Association of the Republic of China. "Service bells" have been set up at the entrances of all branches. Branch service personnel actively help persons with disabilities enter and exit the business premises and all automatic equipment comply with accessibility requirements to facilitate their use by persons with disabilities. The Company also set up ATMs with audio services in branches for persons with visual impairments and provide onsite sign language translation services for customers with hearing impairment, and noted matters for which customers require care in the system such as health conditions, daily life incidents/major disruptions, capacity for accessing financial service information, and special needs for customers to express themselves to create a friendlier financial service environment.

Bank SinoPac's MMA eBanking launched an accessible website in 2013. It was renamed the MMA friendly financial website in 2022 and it was upgraded to obtain the "Web Accessibility Guidelines Conformance Level AA" certification in 2023 to provide telephone balance inquiries and account transfer services and integrates all bank service to create a friendlier financial service environment. SinoPac Securities set up a friendly service area on the SinoTrade website and it also obtained the "Web Accessibility Guidelines Conformance Level A" certification. It provides voice order services to provide customers with friendlier and better mobile financial services.

Implementation Measures for Accessible Financial Services in 2023

Bank SinoPac	• Posted notices of friendly financial services on the entrances of business premises; added QR code and audio service labels on accessible facilities in the automated service areas and adjusted the height of telephones to ensure accessibility. • Provided priority "Friendly Services" ticketing option and adjusted the height of the ticketing machine. Added mobile large banknote counter display screens for high counters for customers with physical disabilities and elderly customers to count and collect cash. • Expanded the scope of the 24-hour elderly customer service hotline to rapidly provide services with dedicated personnel to customers with visual impairments. • Set up accessible ATMs that can be used by people with visual impairments. In 2023, Bank SinoPac set up 105 ATMs for the visually impaired in hospitals, branches, and sites recommended by advocacy groups (21.47% of SinoPac ATMs). Bank SinoPac produced assistive tools for signatures of persons with visual impairments and provided them to the Taipei City Welfare Association for the Blind for use. • Launched the first Braille combo card in Taiwan in October 2023. • MMAb2c.com network services obtained the Hong Kong Web Accessibility Conformance Level AA certification and MMA friendly financial website was upgraded to obtain the Web Accessibility Guidelines Conformance Level AA certification.
SinoPac Securities	• Added the "toll-free hotline service for the elderly" for elderly customers to talk with customer service representatives. The service is provided in Mandarin and Hokkien based on the customer's preference to provide assistance. • All branch offices of SinoPac Securities have set up care service bells so that dedicated personnel can be notified to provide assistance. During the relocation of the Luodong Branch, pneumatic accessible elevators were installed to ensure the safety of elderly customers or customers with disabilities. • Launched the font size adjustment and audio reading function for Rich Club 2.0 and audio reading function for the DAWHOTOU investment morning report. Added a QR Code to the KYC printed documents, which can be scanned at the counter for reading with enlarged font size and audio reading.

Ratio of SinoPac Holdings Accessible Financial Services

Item	2021	2022	2023
Ratio of accessible ATMs (accessible ATMs/all ATMs)	100%	100%	100%
Ratio of official websites upgraded to accessible websites (accessible websites/all websites) (Note)	19.35%	25.93%	26.92%
Ratio of Bank SinoPac and SinoPac Securities' accounts opened off-site	100%	100%	100%

Note: In 2021, the accessibility ratio was 22.73% for Bank SinoPac and 11.1% for SinoPac Securities.
In 2022, the accessibility ratio was 30% for Bank SinoPac and 14.29% for SinoPac Securities.
In 2023, the accessibility ratio was 32% for Bank SinoPac and 14.29% for SinoPac Securities.

3.4.2 Customer Satisfaction and Customer Feedback Mechanism

✦ SinoPac Securities received《Commercial Times》Gold Award in the Category of Securities in the 2023 Taiwan Best Customer Center Awards

To ensure that customers' rights and interests are protected, Bank SinoPac and SinoPac Securities conduct annual customer satisfaction surveys and allow customers to provide their precious opinions or issues they face through a variety of customer feedback mechanisms so that the issues can be immediately resolved. Bank SinoPac and SinoPac Securities introduced the Net Promoter Score (NPS), a common indicator of customer loyalty, to review key points in the customer's experience. After customers experience key products or services, the Company immediately survey the customer satisfaction and feedback. To demonstrate "customer-first" services, the Voice of Customer (VOC) management mechanism was used for evaluation and improvements across departments based on customer opinions. The Company actively fulfilled customer needs and expectations and used them as references for improving services, products, and processes to increase customer loyalty to the brand and effectively increase referrals by loyal customers.

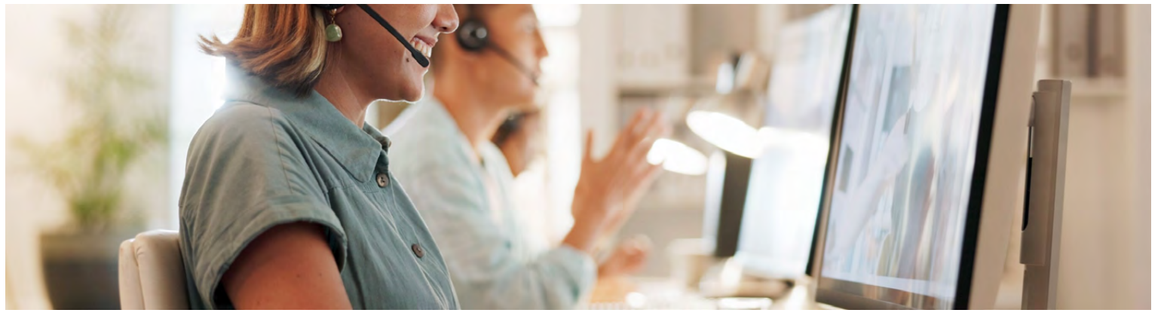
Bank SinoPac and SinoPac Securities launched the "DAWHO x SinoPac Securities service survey" for customers of both companies in the fourth quarter of 2023 to learn about customers' opinions on the banking and securities products. The results showed that customers' Net Promoter Score (NPS) for the "DAWHO x SinoPac Securities" brand was 56.

The Customer Service Center of Bank SinoPac has dedicated its efforts to obtaining the SGS QualiCert (Service Quality Certification) since 2015, and has since been selected by "The Best Service in Taiwan" magazine in the top 20 "Telephone and Online Customer Compliant Handling Ability in Taiwan's Service Industry." SinoPac Securities continues to improve the platform and procedures and adopted recommendations in customer feedback in 2023 to complete 49 functional optimizations and process improvements for SinoPac Stock Savings Plan, DAWHOTOU, and account opening procedures for minors.

Customer Service and Feedback Mechanism

Customer satisfaction survey results for each subsidiary in 2023

Subsidiary	2023 survey	Survey results	Survey subjects / sampling method
Bank SinoPac	Customer satisfaction survey	Satisfaction rate was 97.4%	To understand customer satisfaction with banking services, Bank SinoPac set a customer satisfaction target of 95% in 2023. Questionnaires were sent by e-mail per week (no repetitive sampling within 3 months; 100% delivery to customers with registered e-mail address). In 2023, a total of 755,116 customers (after account aggregation) visited Bank SinoPac branches for consultation or transactions. The Company issued 551,659 questionnaires and received a total of 19,072 effective responses. (The satisfaction survey is a ten-point rating scale)
	Customer opinion survey	Collected 6,711 praises and recommendations from customers	
	Net promoter score (NPS)	Over-the-counter customers: NPS score was 79.70	
	Telephone customer satisfaction survey	Satisfaction rate was 95.05%	For customers who call the customer service hotline, after services are provided by dedicated personnel, customers are transferred to the voice system if they are willing to take the satisfaction survey. The sampling ratio in 2023 was 3.3% and we collected a total of 51,454 effective questionnaires.
SinoPac Securities	Customer satisfaction survey	Overall satisfaction rate was 89%	The targets of the customer satisfaction surveys included those who opened accounts online at SinoPac Securities in the last five years. Questionnaires were sent by e-mail in the fourth quarter of 2023. The number of effective samples was 3,526.
	Net promoter score (NPS)	NPS of the brand was 34	
	Customer opinion survey	Collected 56 praises and recommendations from customers	The Customer Service Center learns about customers' satisfaction with the Company through calls and mail, learns more about their opinions, and asks them to provide recommendations.
	Telephone customer satisfaction survey	Satisfaction rate was 99.5%	For customers who call the customer service hotline, after services are provided by dedicated personnel, customers are transferred to the voice system if they are willing to take the satisfaction survey. The sampling ratio in 2023 was 4.30% and we collected a total of 3,016 effective questionnaires.



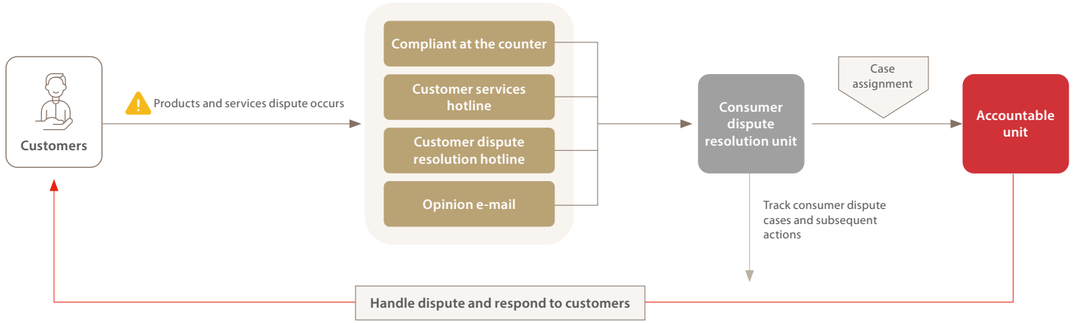
Response to Customer Complaints and Improvements

Bank SinoPac and SinoPac Securities established the "Customer Dispute Resolution Regulations" to protect consumers' rights and interests and ensure that customer complaints are properly handled, establishing a complete process for handling customer disputes, and providing a customer service hotline and opinion e-mail to handle consumer disputes arising out of products or services. SinoPac Holdings and its subsidiaries also established a consumer dispute supervisory unit, which is responsible for tracking consumer dispute cases and subsequent progress, in order to ensure that customers' concerns about products and services are properly handled. The unit summarizes the status of consumer disputes and reports it to the Board of Directors, showing that the Company takes consumer disputes seriously from the top down. Please see the official website of SinoPac Holdings for the consumer dispute handling policy and details.

Bank SinoPac Customer Dispute Resolution Regulations

SinoPac Securities Customer Dispute Resolution Regulations

Customer Dispute and Compliant Mechanisms of SinoPac Holdings and its Subsidiaries



4 Fulfillment of Healthy Workplace

4.1 Talent Management Strategy and Employee Structure

4.2 Talent Attraction and Development

4.3 Employee Compensation and Benefit

4.4 Happy Workplace Environment

Corresponding GRI Material Topic - Critical Topics

GRI 201: Economic Performance

Best Companies to Work for in Asia

HR Asia

Investment in People Award

by the Asia Responsible Enterprise Awards（AREA）

"Gender Equality Leader Award", "Talent Development Leadership Award" and "Human Rights Leadership Award"

by the Taiwan Corporate Sustainability Award (TCSA)

90%

The employee satisfaction rate reached 90% for two consecutive years

Included in the Bloomberg Gender Equality Index (GEI) in 2023

Age Friendly Business Certification

by Department of Labor, Taipei City Government

4 Fulfillment of Healthy Workplace

Sustainability Commitment	Corresponding SDG	Action Plans	2028 Goals
Reduce Inequality	5 GENDER EQUALITY	Promote gender equality (employees)	• Continue to implement mechanisms and optimize actions for equal pay for equal work. • The proportion of female in middle and top management positions rate reach 42.3%.
Mitigate and Adapt to Climate Change	13 CLIMATE ACTION	Raise climate awareness (employees)	• Continue to implement the " Commitment of I DO" for office environmental protection and energy conservation 100% employee signature rate for all employees of SinoPac Holdings. • Promote ESG programs and upload at least 2 climate/net zero/nature risk related knowledge/trends micro-courses. • Implement ESG training roadmap, encourage employees to study by themselves, attain a 20% completion rate. • 80% completion rate for new employee professional training courses. • 100% coverage rate for all supervisors of SinoPac Holdings professional training courses.
Promote Inclusive Growth	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	Value employees' rights and interests while improving employees' physical and mental health	• Continue to introduce ISO 45001 and receive certificate (Bank SinoPac own building). • Optimize due diligence mechanism for specific risk issues/high-risk groups. • Promote Pulse Survey (employee engagement surveys tool) and implement coverage to 75% of SinoPac Holdings. • Promote employee health and safety, 51% of employees having a BMI within the normal range. • The proportion of hiring rate for employees with disabilities higher than the previous year.

Summary of Six Capitals Performance in 2023

IN PUT

Financial Capital

- Employee salaries and benefits totaled NT$18 billion
- Invested NT$ 76.84 million in talent cultivation and competency development programs

Human Capital

- 9,027 full-time employees and 346 dispatched employees at the beginning of the period
- Total employee training hours reached 665,888 hours and the average training day per employee was 8.9 days

OUT PUT

Human Capital

- 9,371 full-time employees, an increase of 344 employees; 204 dispatched employees, a decrease of 142 employees at the end of the period
- Elite Management Trainee (MA/PA/Turing Plan) recruitment rate reached 64.4%
- 90.2% employee satisfaction rate in "organizational climate", a 2.4% increase compared to the previous survey

Intellectual Capital

- The number of financial certificates held by employees reached 31,286.

Summary of the Results in the 2023 Sustainable Development Plan

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note 1)
Enhance the sustainability impact of all employees	• Optimize the Code of Environmental Protection and Energy Conservation • Organize the environmental protection activities • Organize ESG micro-courses • Formulate ESG literacy survey programs	Completed	• Promote"Commitment of I DO" • Promote Sustainability literacy survey • Organize at least 2 ESG micro-courses • Promote climate/net zero/nature risk courses and inclusion in training for new employee and supervisor training
Promote diversity and inclusiveness in the workplace	• Promote anti-discrimination/anti-harassment statement campaign • Promote follow-up review mechanisms for equal pay for equal work • Organize diversity and inclusiveness activities • Formulate female management empowerment programs	Completed	• Expand the scope for follow-up review mechanism for equal pay for equal work • Implement empowerment program of women in management • Evaluate and optimize disability-friendly workplace project
Talent cultivation and retention	• Implement high-frequency employee engagement survey mechanisms • Organize employee engagement surveys • Expand the implementation of training evaluation management tools • Formulate "Certified professional in sustainability management" training program	Completed	• Optimize employee engagement surveys and promote Pulse Survey • Introduce and apply People Analytics tool • Promote "Certified professional in sustainability management" training program • Implement the "Digital Roadmap Program" to incorporate digital skills of all employees • Continue to implement talent database identification system and developing mechanism

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note 1)
Implementation of human rights risk management	• Formulate due diligence investigation mechanisms for specific risk issues/groups • Implement human rights risk assessment and due diligence • Formulate human rights risk mitigation and remedial measures and tracking mechanisms	Completed	• Expand the coverage of human rights risk assessment and due diligence
Promote a healthy and safe workplace	• Expand the coverage of the adoption of ISO 45001 (Chengzhong Building and Nanjing Building) • Organize healthy workplace activities to enhance work-life balance • Optimize and regularly announce the Occupational Safety and Health Management Statement	Completed	• Expand the coverage of the adoption of ISO 45001 (Bank SinoPac own building) • Continue to manage health risks and implement health promotion programs for employees

Note 1: Please refer to " Sustainable Development Goals and Vision " on the official website of SinoPac Holdings for the latest sustainability work plans and target setting.

4.1 Talent Management Strategy and Employee Structure

SinoPac Holdings is committed to its corporate vision "Together, a better life " and pays close attention to the positive cycle of the company, society, and employees, continues improving employee welfare and uses diverse communication channels to create a friendly workplace. The Human Resources Team of SinoPac Holdings has adopted "consolidation of a corporate culture, stabilization for changes, power for organizational growth, and contribution to employee development" as its mission and focuses on the implementation of human resource policies based on the four main strategies of sustainability, innovation, development, and friendliness. The Company has continued improvements in recent years and received the "Taiwan iSports Certification" and "Workplace Health Promotion Certification". In 2023, SinoPac Holdings also won numerous awards in Taiwan and abroad, which demonstrated the improvements for people-friendliness in the workplace environment.

AWARD

- 《HR Asia》 Best Companies to Work for four consecutive years
- 《Enterprise Asia》 Investment in People in Asia Responsible Enterprise Award for three consecutive years
- 《Taiwan Institute for Sustainable Energy》 Gender Equality Leadership Award, Talent Development Leadership Award, Human Rights Leadership Award
- 《1111 Job Bank》 Gold Award in Happy Enterprise Awards- Bank SinoPac
  《1111 Job Bank》 Silver Award in Happy Enterprise Awards- SinoPac Leasing
- Bloomberg Gender Equality Index in 2023
- " Age Friendly Business" Certification from the Department of Labor, Taipei City Government
- "Excellent Breastfeeding Room Certificate" - Bank SinoPac and SinoPac Securities
- "Child-Friendly Business A+ TOP 5% " from Good Neighbors

4.1.1 Diversity in Employee Structure

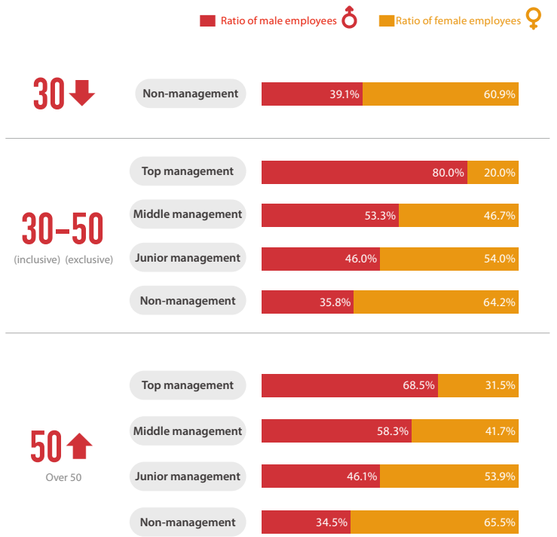
SinoPac Holdings is committed to promoting a diverse, inclusive, and friendly workplace environment, and provides equal opportunities for employees' hiring, promotion, performance evaluation, transfers, training, career development, and remuneration and does not discriminate based on gender, religion, or race. The Company assists all employees with making the most of their professional skills without restrictions to contribute their effort to corporate growth and sustainable development.

SinoPac Holdings had 9,371 employees and 5 interns as of the end of 2023 and employed 204 additional dispatched employees who share an equal work environment with full-time employees. For dispatched employees who performed well during their tenure, SinoPac provides opportunities for priority selection as full-time employees. SinoPac Holdings also set targets for the percentage of female employees and management positions. By 2026, the share of women in the total workforce of SinoPac Holdings should account for no less than 60% and the share of women in all management positions should account for no less than 50%. The Company shall also actively promote equitable talent development programs to increase the share of women in all management positions by 5% by 2026. Currently, female employees outnumber male employees, accounting for 60.8% of all employees, and the percentage of female employees in the junior, middle, and senior management levels has increased from the previous year, which demonstrated the improvements for diversity and inclusion in the workplace.

Friendly workplace measures are also implemented to protect the rights and benefits of people with disabilities and indigenous peoples. The Company prioritizes the hiring of suitable talents and hired 72 people with disabilities in2023. Bank SinoPac employed 49 individuals (including 10 individuals with severe physical disabilities); SinoPac Securities employed 23 individuals (including 3 individuals with severe physical disabilities); SinoPac Leasing employed 3 individuals. They serve as salespersons, IT technicians, financial cross-selling representative, accounting staff, and management as well as other positions as the Company creates a friendly workplace for diverse talents.

Employee information

Employee structure



Diversity Indicators and Objectives

Percentage of women's employment	Percentage	2026 Targets
Share of women in total workforce	60.8%	>= 60%
Share of women in all management positions	48.7%	>= 50%
Share of women in junior management positions	54.0%	>= 50%
Share of women in middle management positions	43.5%	5% growth
Share of women in top management positions	30.9%	5% growth
Share of women in management positions in revenue-generating functions (Note 1)	47.9%	5% growth
Share of women in STEM-related positions (Note 2)	41.9%	>= 40%

Note 1: Revenue-generating functions: SinoPac Holdings job grade 7 and above, excluding business support departments such as information technology, human resources, and legal departments.

Note 2: Including data technology, data analytics, data security, and other data-related positions.

Employee Diversity

Diversity indicator	Number of employees	Percentage of total employees (%)
People with disability	72	0.8%
Indigenous people	12	0.1%

Note: The number of employees with disabilities was calculated following the "The Protection on the Rights of Person with Disabilities".

4.2 Talent Attraction and Development

SinoPac Holdings views talents as the basis for corporate sustainability and implements talent recruitment through diverse channels. The Company continues building the talent development system to plan short, medium, and long-term career development programs for every SinoPac employee. The Company regularly conducts performance evaluations and follow-ups to optimize development, enhance empowerment, and actively create a positive atmosphere. Meanwhile, SinoPac Holdings has organized the "Employee of the Year Award" campaign since 2018 to create a high-quality corporate culture with the core concept of "starting from the heart" through commendation and encouragement.

4.2.1 Talent Attraction

SinoPac Holdings actively develops a Digital FinTech Team and recruits strategy talents, overseas talents, and risk management talents, and invites talents from all walks of life to explore the infinite possibilities of a financial career. The Company also cooperates with colleges via industrial-academic collaboration and internship programs to assist students who are interested in finance take their studies into real practice, narrow down the industry-academia gap, and cultivate SinoPac's future talents. The integrated online and offline recruitment programs included campus programs, recruitment channels, and professional talent investment. The average annual recruitment cost for this year was NT$17,519 to actively recruit top talents. In addition, SinoPac Holdings provides a sustainable career developing environment based on employees' skills, organizational development, and personal career plans to encourage employees' diverse development and increase their retention.

Campus Recruitment
The Company participates in campus fairs and seminars, and helps students obtain sufficient and professional information at the first stage of their career development.

Industry Master Program
The Company uses systematic and structural cultivation plans along with scholarships and senior executives who serve as mentors to connect with students on campus and increase their familiarity with the Company.

Internship Program
The Company offers students internship opportunities before employment and encourages those with great performance who have qualified in examinations to continue to work at SinoPac for a swift transition to the workplace.

Enterprise Mentor Program
The Company helps students learn about banking businesses in advance and uses case studies and discussions to help students understand how to improve their competencies and attitude during the study stage to enhance their competitiveness for the future.

Enterprise Visiting
The Company provides opportunities for students to visit branches and the working environment and experience what it feels like to work at SinoPac. The Company also provides career consulting and guidance for jobseekers.

Elite Talent Recruitment Program

SinoPac Elite Management Trainee Program (MA/PA)

SinoPac Elite Management Trainee Program focuses on four main directions, namely professional development, experiential learning, comprehensive rotation training and consolidation of organizational adhesiveness to develop Strategic Talent Trilogy and build outstanding management talent pipeline of SinoPac.

▶**Results**

Acceptance rate: 65.8%.
Retention rate: 96.2% in 2023.

Turing Plan for AI Elites

SinoPac Holdings has created a comprehensive career development path for AI talents with two-year training programs for AI technology development and AI application development along with OJT (On-Job Training) to quickly accumulate practical financial skills. The Company also created career development paths for engineers with dual-track career development plans for management roles and professional roles to design a system for retaining top experts in artificial intelligence and attain SinoPac Holdings' digital transformation targets.

▶**Results**

Retention rate: 85.7% since the first year of the program in 2020.
Upgraded services: Use AI technologies into operational activities such as fraud prevention, contextual advertising, potential mid-to-high-end customers identification.

Retention rate: The proportion of the number of employees in service as of the end of 2023 to the number of hires in the current year.

Enterprise Visiting and seminars

Enterprise Visiting and seminars

National Chengkung University Career Coaching Program

National Chengchi University micro-credit course

Youth Talent Development Program

National Chengchi University credit course

Senior executives of Bank SinoPac and SinoPac Securities served as the lecturers of a 2-credit course in one semester to share trends and practical experiences in various departments to strengthen students' financial vision.

▶**Results**

- A total of 18 students participated in the credit course.
- The overall satisfaction of the course reached 9 points (out of 10 points).
- 3 students applied for semester internship and acquired practical experiences.

National Cheng Kung University Career Coach Program

The Company partnered with Career Consultant Division of NCKU, and senior executives of the Digital Finance Department served as the coach to share digital finance and technology. Participants can interact with the coach and learn more about the practices and challenges in finance professional field.

▶**Results**

- A total of 12 students joined the SinoPac team.
- 82.6% of participants represent well-satisfied with an overall of the course.
- 4 students applied for internship and 2 students got the offer successfully.

National Tsing Hua University micro-credit course

The Company collaborated with the Career Development Division of NTHU, with senior executives of SinoPac serving as corporate lecturers to guide students who are interested in the financial industry to learn about the industry and prepare for employment, increase their professional skills ahead of schedule.

▶**Results**

A total of 40 students, nearly two times increased compared to the previous year, joined the SinoPac team. The course can also be taken by students who are non-finance department.

Enterprise visiting and seminars with universities and colleges

The Company collaborated with several universities and provided practical experience in finance and visit the workplace to help students learn more about the finance industry and develop interest, reduce the gap between academic studies and career paths and explore career possibilities.

▶**Results**

SinoPac holdings organized 10 visiting events with nearly 400 students. The chairman of Bank SinoPac delivered a lecture on green finance practices at National Tsinghua University.

Financial technology Talent Exchange

SinoPac Holdings Business Competition

From 2022, the company partnered with NCCU Global Research & Industry Alliance (NCCU GLORIA) to jointly organize the " SinoPac Holdings Business Competition " to interact with the students and enclose to Digital Native generation and develop innovative products and service experiences. It was the first time that the Company invited new startup teams and the public who interested in financial technology to participate in 2023, tried to find out the needs and pain points of customers from an innovative perspective, and integrate it into product and service to move forward towards inclusive and customized financial services.

SinoPac AI GO Competition

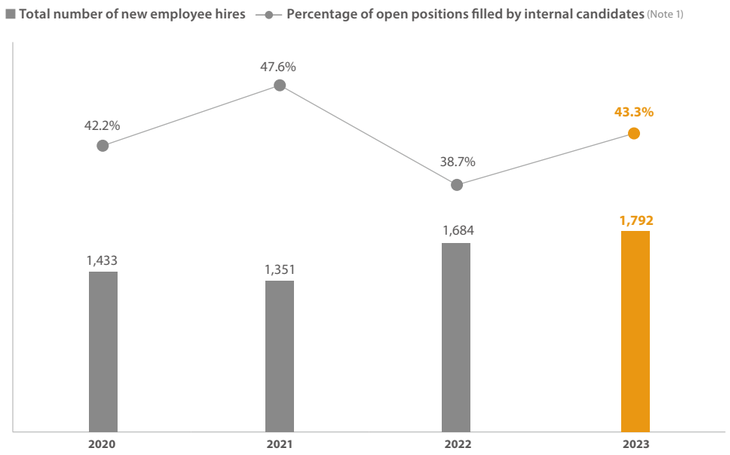
The Company collaborated with the leading company from security solutions industry to hold SinoPac AI Competition, and establish T-Brain AI Battle as a platform to provide excellent talents interested in entering the AI field have opportunities to interact and exchange of digital technology and to demonstrate the application ability of AI R&D.

The total number of 972 teams with the industries of communications, high-tech, and non-profit organizations, not only provide the opportunities to interact with cross-disciplinary AI talents, also promote technical exchanges between the industry and the academia.

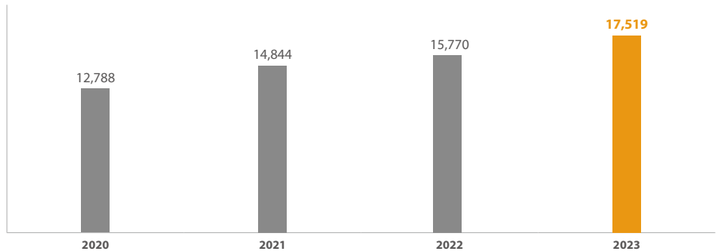
SinoPac Holdings partnered with NCCU GLORIA to jointly organized the " SinoPac Holdings Business Competition "; the young generation who is interested in financial technology, and it is expected that they will become digital financial talents in the future.

SinoPac Holdings collaborated with leading company from security solution industry to hold "SinoPac AI GO Competition" to provide the opportunities to interact with AI talents.

Statistics on Hiring



Average hiring cost (unit: NT$)(Note 2)



Note 1 : Percentage of open positions filled by internal candidates = number of positions with changes / (number of positions with changes + number of new employees)

Note 2 : Average hiring cost (=annual expenses for holding recruiting activities+ labor cost of recruitment) / total number of new full-time employees in the current year

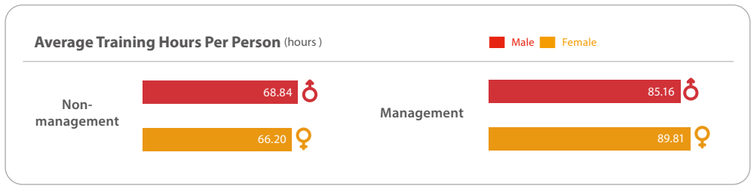
4.2.2 Talent Cultivation

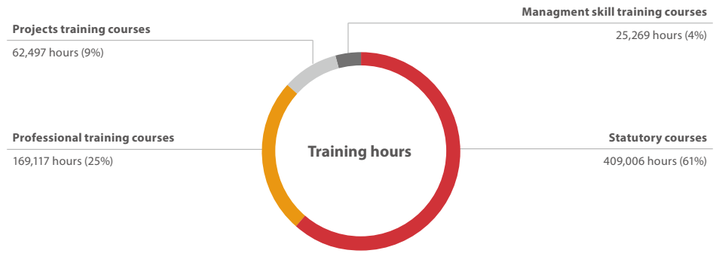
SinoPac Holdings upholds Continuous Learning as one of its five core values and encourages employees to venture beyond their own professional fields, continuously enhance comprehensive knowledge and skills, and keep up with the times. The Company also created a comprehensive empowerment and cultivation program and an excellent learning environment to develop the workplace skills and unlimited potential of SinoPac employees and provide guidance for the growth of both employees and the organization. The Company provides blueprints for talent cultivation along with guidance for practical work based on the competencies required for employees' positions to support their career development. The training programs are in line with development trends in finance, corporate visions and strategies, customer experience requirements, and career development for current roles for continuous optimization and innovation. The training courses are developed by the competence cultivation program which focuses on three major categories, namely professional training courses, project training courses, and management skill training courses. In the meantime, the effectiveness of training would be tracked with the aim of enhancing the competitiveness of SinoPac's talents.

2023 Training Track Records

- Total training expenses **NT$76.84 million**
- Average training expenses per person **NT$8,200**
- Number of professional financial certificates **31,286**
- CFP certificates **72**
- Total training hours **665,888 hours**
- Average training hours per person **71.06 hours**
- Total number of training sessions **1,849**
- Total number of attendances in training **330,586**

Note: Total training expenses include the lecturer fees and course material fees of training activities, and indirect costs (including transportation expenses for training, food and accommodations, equipment, and education materials).





SinoPac Holdings has created comprehensive plans for career development. The Company provides training and diverse learning channel to integrate employees' career development and corporate development based on the employees' needs for different stages of their career development. Competence development focuses on training for new employees, professional training, experience cultivation, and self-development. The Company also offers collective training, On-Job training, and advanced development options.

SinoPac Holdings developed the Corporate University Program and set up 80 courses in 17 programs for professional competencies to enhance functions with the training roadmap and certification mechanisms. The management training provides on-the-job and officer development plans for managers on all levels. In response to the digital transformation, the Company focused on implementing the "Digital Roadmap Program" to incorporate digital skills into the basic skills of all employees, accelerate digital empowerment, implement the Digital Transformation Project.

Competence Development

Orientation ▶ **Professional cultivation** ▶ **Experience cultivation** ▶ **Self-development**

Orientation
- Corporate culture
- Code of Conduct
- Financial laws and regulations
- Basic professional skills
- Sustainability literacy

Professional cultivation
- Management training
- Professional expertise
- Statutory training
- External training
- Strategic projects

Experience cultivation
- Work guidance
- Mission assignment
- Practical work after courses
- Rotations

Self-development
- Courses for all employees
- Course subsidies

SinoPac Holdings conducts an inventory of training requirements in accordance with the business strategy, progress of training programs, and gaps in talent capabilities for training. The Company is committed to improving employees' capability of professional skills, grasping trends, and continuous learning to promote the overall financial and non-financial growth of SinoPac Holdings. SinoPac Holdings adopted the Kirkpatrick Model to monitor the specific effectiveness and related quantified data in talent development programs.

Training Performance Assessment Model

	Assessment indicator	2023 assessment results	Content
L5 ROI	Growth rate of revenue per capita	9.9 %	Understand the increase in actual benefits obtained by the Company through training.
L4 Results	Customer satisfaction	Bank SinoPac: 9.53 points(out of 10) SinoPac Securities: 89%	Overall results of training for the Company.
L3 Behavior	Key personnel retention rate (Note)	96.2 %	Understand the impact of training on employees' actual behavior.
	Organization approval	90.2 %	
L2 Learning	Test passage rate after training	95.8 points (out of 100)	Use results of tests after training and the number of licenses obtained to review the results of learning by employees.
L1 Reaction	Overall satisfaction with training	4.75 points (out of 5)	Understand employees' awareness and evaluation of the course, including the contents of courses and lecturers.

Note: The key personnel are those who meet the conditions of outstanding personnel in 2023.

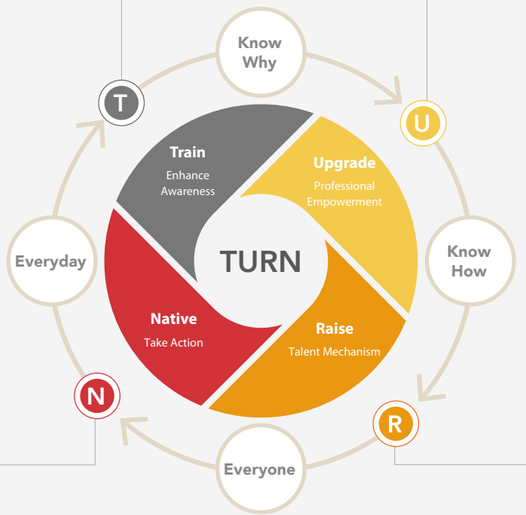
Sustainability Literacy Development

SinoPac Holdings has adopted employees' sustainability awareness as the basis for facilitating long-term stable development. To attain the corporate vision of "Together, a better life", the Company adopted "TURN" as the foundation to create a framework for sustainability literacy training for all employees. All employees are expected to continue to attain growth in the four main categories, including "Train", "Upgrade", "Raise", and "Native" and develop sustainability literacy. Also using diverse training and activities to create common values for all employees, transform awareness into a part of daily operations, make sustainability literacy a part of the Company's DNA, and thereby enhance the sustainability influence of the finance industry.

Targets: All employees of SinoPac Holdings and subsidiaries

- Inclusion of sustainability training into the internal training system
- Sharing new knowledge on sustainability with stakeholders
- Rapid and diverse communication of sustainability trends

- Inclusion of sustainability knowledge, climate awareness, and net zero commitment into the orientation training for new employees of Bank SinoPac with 27.5% growth in awareness after the course.
- Attain 44,684 total training hours in internal sustainability courses.
- 9 micro-courses of Sustainable Action Academy, with more than 10,000 clicks.
- Average score of 70.1 of first time "Sustainability Literacy Quiz".
- 5 editions of the "Sustainability Detective" column in internal publication with the latest information on sustainability trends, and a special cover story "Building a greener future".
- Company newsletters sent to all employees to continuously communicate sustainability information.



- Organzie expert forums with external institutions
- Sustainable Finance Flow Experience Course
- Teaching by seed teams of internal experts
- Expanding external net-zero seed

- Collaboration on 2 forums for Sustainable Natural Capital with BCSD.
- Collaboration on 5 lectures for sustainable trends with KPMG.
- Inclusion the net zero courses in training for new employees and lectured by seed instructors, with a total of 915 trainees.
- Innovation product for PM courses - "Responsible Consumption and Production Workshop".
- 21 seed talent are cultivated through "Sustainability Talent Experience Camp" with a satisfaction score of 4.9 (out of 5).

- Increase recognition
  - Sign sustainability commitment
- Micro education programs
  - Create virtual and real environments
- Environmental protection day
  - Consolidate consensus on actions

- 100% signature rate of the "Code of Environmental Protection and Energy Conservation in Office".
- "Sweat Is Not in vain" platform combines the 750,00-step team challenge, forming 70 teams, and accumulating at least 42 million steps.
- Build the carbon reduction education zone and guide trainee to take into action with immersive learning.
- Setup a "Sustainability ING™ section on the APP to promote sustainability information from time to time.
- With a coverage of 100% supported the "SinoPac for Life - A Million Acts of Green" on the 17th day of each month.
- With a coverage of 100% promoted carbon reduction at the source in the "SinoPac Love Cycle".
- Inclusion of charity actions in mandatory courses for 149 employees.

- Link to performance appraisal mechanisms
- Talent training experience activities
- Subsidies for advanced sustainability courses
- Talent development, reward, amd commendation

- Linked the sustainability attainment status to the annual appraisal and medium to long-term variable remuneration of Presidents of SinoPac Holdings and subsidiaries.
- Conducted the "Process Improvement Proposal" and encourage the participation with reward mechanisms.
- Full subsidies for sustainability manager certification, professional courses, ISO 14001, ISO 50001, and ISO 14064 certification.
- SinoPac Securities conducted sustainable development goals (SDGs) experience course.
- 9 model employees selected for the promotion of sustainability-related businesses.

Vision for Corporate Culture of All Employees

SinoPac Holdings Vision and Culture Promotion

Program objectives / targets

Targets:

All employees of SinoPac Holdings and subsidiaries

Program objectives:

Since 2022, Company has been creating a friendly workplace through a series of promotional activities and the linkage of corporate culture in order to let employees bring SinoPac Holdings' vision of "Together, a better life" and the core values of "Passion for Work, Continuous Learn-ing, Accountability for Shared Success, Open-Mindedness, and Creativity and Diversity" into action.

Business benefits

In 2023, SinoPac Holdings empowerd employees and buildd a well workplace experience through Deepening the Vision Culture, Otimizing Digital Human Capital, and Strengthening a Friendly Workplace", so that customer service is enhanced and reflected on business benefits.

Impact of training

- 94% of employees support the company's vision and culture promotion project, and take the core value into action.
- 97.2% of employees are willing to take on the responsibilities and collaborate with team work to achieve customer value.
- The number of natural person customers grew by 4% and the number of corporate clients grew by 3%.
- 《HR Asia》Best Companies to Work for four consecutive years.

ESG Cultivation

Sustainability Training Program

Program objectives / targets

Targets:

All employees of SinoPac Holdings and subsidiaries

Program objectives:

Integrate the ESG training program into employee training to raise sustainability knowledge of all employees, leading them to develop an ESG mindset and consensus building, and embedding it into business development and a daily routine to connect with SinoPac Holdings' sustainable operation strategy.

Business benefits

In response to one of the Four major strategic themes and performance - " Exploring Green opportunities and fulfilling sustainability commitments", SinoPac Holdings and its subsidiaries utilized their core financial services such as green finance and sustainable economic activity to expanding the sustainable impacts and building sustainable financial ecosystem with stakeholders.

Impact of training

- Outstanding amount for green energy financing exceeds $100 billion in June 2023.
- Won the " Top Solar Awards - Best Financial Service Provider Award" from the Bureau of Energy of the Ministry of Economic Affairs for 8 consecutive years.
- Launched the first natural person USD green demand deposit.
- Continued to receive ESG-related awards and ratings (e.g., Dow Jones Sustainability World Index constituents).

Mid-term meeting for culture promotion activities

SinoPac Holdings Sustainability Trending Lecture

Development of Strategic Professional Skills

SinoPac Holdings and subsidiaries have provided the following key training programs for systematic training for all job functions in the current year to meet the needs for organizational development:

Bilingual Talent Training Course

Program objectives / targets

Targets:

Branch employees with basic knowledge of foreign languages

Program objectives:

Organize the "Bilingual Talent Training Course" to cultivate branch seed personnels in English communication skills and continue to deploy certified personnels in each branch to create a friendly environment in financial services.

Business benefits

Establish "Bilingual SERVICE" mobile micro-course channel by the simulation of practical foreign language dialogues and continue to enhance the branch employees' foreign language skills and provide a friendly environment in fi-nancial services, increasing the number of foreign cus-tomers and enhancing ser-vices quality.

Impact of training

- Number of participants: 133 (Percentage of FTEs : 1.42%)
- Total training hours: 2,793; 97.7% passage rate of those who completed the training after test.
- Invest NT$60 million in foreign language study grants and bilingual talent seed incentives.
- Establish micro-course channel and designed 6 digital learning materials, with a total of 12,326 viewers and 2,599 hours.
- Satisfaction survey at the branch counter: 9.48 points (out of 10 points) for foreign customers.
- 37 new bilingual branches in 2023, with 32% coverage; expected to expand to 60% in 2024.

Eldercare Financial Planning Consultant

Program objectives / targets

Targets:

Bank sales promotion teams, private banking managers, branch managers, wealth management managers, wealth management advisors, etc.

Program objectives:

Respond to the Trust 2.0- "The Promotion Plan for Full Functions of Trust Services" promoted by FSC, and assist employees to obtain the "Elderly Financial Planning Consultant" license.

Business benefits

Promote trust practices to increase reach: Organized 28 seminars on "Elder Care Trust" and "Insurance Claims Trust " with a total of more than 1,600 participants to promote the concept and practices of property trust for the elderly and to ensure the safety of their property.

Impact of training

- Number of participants: 294 (Percentage of FTEs : 3.14%)
- 139 individuals obtained license and the success rate was higher than the overall average.
- Overall satisfaction rate of education and training 4.5 (out of 5 points)
- Won "Crouching Tiger, Hidden Dragon Award for Elderly Financial Advisors" from the Trustee Association
- Number of "Elder Care Trust" account opening rate increased by more than 560% over the same period in 2022, and the principal balance increased by nearly 50%.

Digital Leadership Development Program

Program objectives / targets

Targets:

The mid-level and junior executives and staff in digital finance and IT related units with greater potential

Program objectives:

To effectively improve cooperation efficiency, launch digital innovative products and services to create operational benefits, under the trend of digital financial transformation, the Company sets up a co-learning platform for digital technology teams to provide participants deepen learning, establishes a common language and team awareness. The participants could also enhance management skills by receiving the feedback from consultants and supervisors.

Business benefits

- Launched "AI-Driven Insight Ledger" to Introduced Wisdom bookkeeping into an Internet banking and DAWHO app to help customers keep track of their money flow.
- The average daily usage of the Wisdom bookkeeping exceeded 2,000 times, reaching 168,000 users.

Impact of training

- Number of Participants: 30 (Percentage of FTEs : 0.32%)
- Overall satisfaction rate of education and training 94.6 (out of 100 points)
- 100% success rate of evaluating knowledge and skills by Role play mechanism.
- 83% of effectiveness rate of the degree of skill application which is evaluated by direct supervisors and external consultants.
- 29% promotion rate of employees with greater potential.

Friendly financial Services and Fraud Prevention Course

Program objectives / targets

Targets:

Auditors, branch employees serving customers

Program objectives:

- Friendly Financial Service Master - To promote "Treat Clients Fairly" culture, the Company sets up the "friendly financial talents" in each branch, and designs the friendly communication modes for the elderly and people with disabilities by providing considerate financial service and empathy, extending the reach of friendly financial service to the first line.
- Fraud Prevention Course - To effectively prevent fraud, the Company educates employees on "Money Laundering and Terrorist Financing, financial technology and emerging crime cases analyses", learning about current practices and multiple cracking methods to strengthen the fraud prevention safety net.

Business benefits

Establish empathetic services through experiential courses to improve overall service smoothness and warmth. The Company creates a barrier-free front-line service environment to meet the needs of the elderly and physically and mentally disabled groups, and expand the service group.

Impact of training

- Number of Participants: 145 (Percentage of FTEs : 1.55%)
- Establish own micro-course channel for sign language and designed 4 digital learning materials, with a total of 2,514 viewings and 472.7 hours.
- 100% course completion rate at domestic branch of the "All Staff Friendly Service Training", with a total of 2,309 participants.
- Establish own micro-course channel for fraud prevention and designed 1 digital learning material, with a total of 1,245 viewings and 348.6 hours.
- 100% course completion rate at audit and operation departments of "Fraud Prevention Education and Training", with a total of 358 participants and a total of 1,197 hours.
- Bank SinoPac prevented 499 suspected fraud cases with a total amount of NT$318 million.

Systematic manager training

Program objectives / targets

Targets:

Junior, middle, senior, and top management executives of SinoPac Holdings and subsidiaries

Program objectives:

To set up an agile and resilience leadership management talent pool, SinoPac Holdings has set important criteria and a framework for management talents based on strategic transformation:

- On-the-job training focus on six major competencies including strategy reforms, cultivation and development, communication and coordination, target-driven, decision-making analysis, and impact of values. It comprehensively improves the management competencies of managers from newly appointed mangers to senior managers and strengthens their management capabilities.
- The Company implements the new type of management functions course, which introduced case studies and book clubs for key talent pools to accelerate talent development and effective employment, providing supervisor the opportunity with the leadership skills and perspectives for higher roles in the future.
- SinoPac Holdings organizes the "SinoPac Excellence Leadership Academy" for high-ranking department heads with high potential each year. The program is based on SinoPac's four main strategies and the SinoPac leadership competency model. Courses are carried out with case studies along with personal self-development and learning through teamwork to create a common language for management, strategic thinking, and build business acumen skills that would spearhead SinoPac's transformation.

Business benefits

- **Management Competency2.0:** Establishing a common management language and corporate culture so that the managers can efficiently lead the team to achieve SinoPac Holdings' strategic goals.
- **Talent Supply Chain of Branch:** Bank SinoPac launched the "Branch Manager Preparatory Program" to set up a supply chain of leadership management talent pool, a total of 82 business supervisors and branch managers are cultivated by the program since 2019.
- **Implement strategies efficiently and driven the growth in revenues:** The action plan includes "Building the No. 1 Brand of Green Finance" and " Creating Online Merge Offline Elderly Academy", to achieve SinoPac Holdings' strategic goals and driven the growth in SinoPac Holdings' net income.

Impact of training

Number of Participants: 1,261(Percentage of FTEs : 13.46%)

Management Competency Development Plan:

1. Average course satisfaction rate of management competency training on all levels 4.8 (out of 5 points)
2. Since the introduction of the management competency training in 2019, organization approval rate of employees has increased by 18%.

Branch Manager Preparatory Program:

1. Managers' course satisfaction rate: 4.9 (out of 5 points); 4.0 (out of 5 points) for business executives.
2. Increased 90% of self-confidence at work after the course.
3. 49% promotion rate of managers and 44% promotion rate of business supervisors after the training program.

Senior Executive Development Plan:

1. Course satisfaction rate: 4.87 (out of 5 points)
2. Trainees used logic tools to delivery project output which the adoption rate of teams was 100%.
3. Complete 6 practical action plans to implement SinoPac strategies with multiple innovation modes.

4.2.3 Diverse Performance Appraisal

SinoPac Holdings adopted diverse performance appraisals to continue promoting the development and improvement empowerment of all employees. The Company uses routine performance management, rewards for model behavior, and data-driven talent management for performance management.

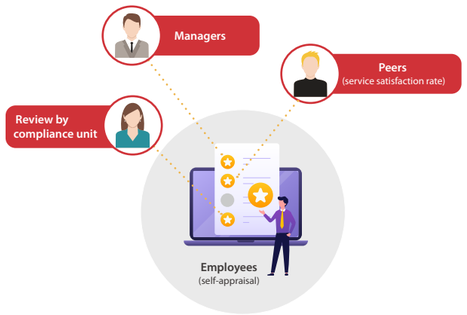
Each year, SinoPac Holdings conducts regular performance appraisals based on Employee Assessment Criteria and reviews employees' behavior in the workplace and management to assist them assess their working performance as the basis for future career development. SinoPac Holdings implements dual-track performance appraisal with both the unit-level appraisal and personnel appraisal, adopting multiple mechanisms such as team-based performance appraisal, management by objectives, multidimensional performance appraisal, and formal comparative ranking of employee within one employee category. SinoPac has set up regular review and feedback mechanisms in the developmental performance management system and adopted agile management to guide department and employees monitor the progress and take response actions via routine and timely communication to attain targets. In 2023, the performance of all full-time employees who have passed the probation period was evaluated in the regular performance appraisal. Employees of Bank SinoPac who have objections regarding the results of the annual performance appraisal can file an appeal and HR department can compile and file for review. SinoPac Holdings received 40 appeals in 2023 and approved 9 appeals after review and evaluation. There were opportunities for department managers and employees to communicate face-to-face so that employees can advance further at work and reduce potential misunderstandings.

SinoPac Holdings Performance Appraisal Tools

Performance appraisal mechanism	Percentage of employees	Implementation method and results	Implementation frequency
Management by objectives	100% FTEs	• Employees set annual work targets, appraisal indicators, and weights at the beginning of the year, and establish the annual targets after discussing with their direct supervisor. • A mid-year appraisal is conducted to verify work targets and implementation progress. • Employees perform the year-end self-performance appraisal, and the results are submitted to managers of respective levels for appraisal.	Once a year
Multidimensional performance appraisal	100% FTEs	• 360-degree feedback mechanisms are adopted for management personnel to enhance the development and cultivation of management talents. • The annual appraisal of SinoPac Holdings and subsidiaries is performed by the audit, risk management, and compliance departments. The result accounts for 30% of the performance score. • SinoPac Holdings' division-level departments are included in the 10% collaboration survey to evaluate the collaboration and cooperation among independent departments and subsidiaries. • Bank SinoPac's non-sales departments are included in the 10% inter-departmental peer and manager service satisfaction survey.	Once every two years Once a year Once a year Once a year
Formal comparative ranking of employees within one employee category	100% FTEs	• After the self-appraisal completed by employee and the appraisal score rated by supervisors, an appraisal rating will be given based on the ranking.	Once a year
Team-based performance appraisal	SinoPac Holdings subsidiaries SinoPac Holdings division-level units Bank SinoPac / SinoPac Securities / SinoPac Leasing division-level units	• Set targets based on the annual budget approved by the Board of Directors as well as management and sustainability strategies. The internal control unit provides internal control items appraisal requirements and key points for annual enhancements, and establish annual targets after obtaining approval. • Regularly review and verify work targets and implementation progress every quarter. • Conduct the team-based performance appraisal at the end of the period based on the performance results.	Quarterly
Agile communication	100% FTEs	• Provide regular feedback and adjustments (e.g., daily/weekly/monthly/quarterly) or ad hoc (project progress) based on the nature of job roles. Continuously guide employees to develop their abilities and achieve common goals by timely interaction and communication to monitor strategies and implement corrections.	Ongoing

Employee performance appraisal process

Performance Appraisal Mode



Select the Employee of the Year to Promote SinoPac's Core Values

To encourage employees to express innovative and thoughtful spirit at work, SinoPac Holdings has organized the "Employee of the Year Award" campaign since 2018. The Company selects and commends employees who are creative and do high-quality services for others. From 2023, the company selected and commends employees who highly express SinoPac 's values of "Passion, Curiosity, Accountability, Open-Mindedness, and Innovation" by each subsidiary, 20 employees were selected from over 10,000 employees in Taiwan and overseas.

The Chairmen and Presidents of SinoPac's subsidiaries and external experts and scholars attended the award ceremony. The Company appreciated 20 employees that demonstrate SinoPac's values, in their positions, and bring positive influence on the others in workplace. The award ceremony also invited family members of the employees to share the glorious moments together, demonstrating SinoPac's emphasis on the appreciation for employees and their families.

Employee of the Year Award Ceremony

Data-driven Talent Management

SinoPac uses measurement tools, questionnaires, surveys, and other data and information for people analytics to monitor talent development. The Company established a talent profile to replenish SinoPac's talent pool and used as the basis for data-driven management for improving the human resource development mechanisms.

Tool	Eligible users	Coverage rate	Applications
Leadership Assessment	Management	15.8%	With assessment, the managers can realize their advantages in personal leadership skills and projects to be developed. The Company provide resources based on needs and conditions.
Human Resource Data Dashboard	Full-time employees	100%	Analysis of the financial, non-financial, and human resource structure data of competitors as a reference for manpower allocation and plans.
Employee engagement surveys (organizational climate survey, employee engagement survey and pulse survey)	Full-time employees	100%	Collect employees' opinions and feelings about the Company's policies, environment, processes, and management to optimize the system further.

4.3 Employee Compensation and Benefit

4.3.1 Compensation System

SinoPac Holdings upholds the Human Rights Policy, protects the legal rights and interests of employees, and spares no effort to create a happy enterprise. The Company sets up the Remuneration Committee, which consists of three independent directors, to regularly review the "Salary and Remuneration Management Policy" and evaluate the remuneration and related systems for the directors and managers. It submits recommendations to the Board of Directors for review and approval to provide a comprehensive and competitive salary and benefits system. SinoPac Holdings has been selected as one of the constituent stocks of "Taiwan High Compensation 100 Index" for eight consecutive years since 2014 as one of the top 100 domestic companies in terms of employee salary. The employee compensation and benefit totaled NT$18 billion in 2023. SinoPac Holdings provides equal opportunities for employees' remuneration and does not discriminate based on gender. The Company sets out the policies related to salary management in the "Work Rules" and "Standards for Employee Salaries and Allowances, Overtime Payments, Awards". The percentage of base salary for female-to-male is 1:1, aligning with the concept of equal pay for equal work. To create a friendly, diversified and inclusive workplace and attain the goal of equal pay for equal work, the Company integrated Gender Analysis into the mechanism of promotion and remuneration since 2023. SinoPac Holdings will continuity optimize and expand the scope for follow-up review mechanism. To attract and retain talents as well as support the high-performance culture, SinoPac Holdings also actively participates in global salary surveys every year and references the salary survey data provided by external consultants independent of the Company. SinoPac Holdings has taken into consideration the Company's operating performance, personal performance, and external market compensation level for salary adjustment to ensure the salary level is competitive in the market. The Company also provides investors with opportunities to voice or communicate their opinions related to remuneration in investor conferences. In 2023, The average salary of junior-level employees (with job grade of 2-4 at SinoPac Holdings) was 154% of the statutory basic salary for female employees and 161% for male employees. The salary of dispatched employees is determined in accordance with the "Staff Appointment Guideline", which exceeds regulatory requirements.

Equal Pay Assessment

Employee level	Average female-to-male ratio (100 for females)
Executive level (job grade 10 and above at SinoPac Holdings) base salary	100:112
Executive level (job grade 10 and above at SinoPac Holdings) base salary + cash incentives	100:130
Management level (job grade 7-9 and above at SinoPac Holdings) base salary	100:105
Management level (job grade 7-9 and above at SinoPac Holdings) base salary + cash incentives	100:102
Non-management level (job grade 6 and below at SinoPac Holdings) base salary	100:107
Non- management level (job grade 6 and below at SinoPac Holdings) base salary + cash incentives	100:110

Note:
1. Base salary was calculated based on the monthly salary of FTEs as of December 2023 multiple by 12.
2. The calculation scope includes all employees in Taiwan.
3. The current remuneration system does not include a bonus system in the form of stock issues.

4.3.2 Benefit System

SinoPac Holdings firmly believes that talents are the core assets of a sustainable enterprise. In addition to providing a transparent and fair remuneration system and a diverse, inclusive, and friendly workplace environment, the Company also provides employees with thoughtful benefit measures and upholds the spirit of "take care of one person and protect one family" to include the care for employee family and life as important ideals to increase employees' adhesiveness and retention rate. SinoPac Holdings provides employees with benefits such as insurance coverage, health examinations, subsidies for festivals, discount mortgages, and a leave system superior to the Labor Standards Act to care for the physical and mental health of employees. Please refer to the official website for information on the benefit system and policies of SinoPac Holdings.

Benefit system and policies superior to regulations

Sustainable Employee Benefits	Health and security	• Regular health examinations are arranged for employees based on their age and characteristics of work, which are better than those stated on occupational health and safety regulations, to help employees keep track of their health conditions. Add new functional health examinations package including five modes " heart and brain protection ", "gastro-Intestinal protection", "endocrine", "cancer prevention", and "all in one", and the employees can choose by themselves in demand.
	Peace of mind	• A 24-hour EAP line was set up for employees to call for professional advice and counseling when they encounter legal, health, psychological, or interpersonal issues at work or in their lives.
	Insurance coverage	• Employee group insurance is fully subsidized by the Company, which also provides preferential plans for employees' dependents to take care of their families; premiums for only one child are charged regardless of the number of employees' children.
	Wealth protection	• SinoPac Securities encourages long-term investment in shares of SinoPac Holdings by employees through the implementation of the employee stock ownership trust. Bank SinoPac implements a stock ownership trust program for managers, provides a certain ratio of contribution to share the results of operations, and strengthens employees' sense of identity.
Flexible Work Conditions	Flexible working hours	• More than 10 flexible schedules to meet personal needs or job requirements have been designed.
	Reduced hours	• Employees can apply for reduced hours to meet personal or family care needs.
	Working from home arrangements	• Remote-access information technology has been developed for setting up remote or work-from-home modes.
Thoughtful Family Benefits	High-quality breast-feeding room	• A comfortable and high-quality breast-feeding room environment has been created.
	Maternity leave	• SinoPac Holdings provide employees with 8 weeks of paid maternity leave and SinoPac Securities employees may apply for 2 weeks of additional maternity leave based on requirements so that employees can rest after giving birth.
	Flexible paternity leave	• The period in which the employee may apply for paternity leave is extended to 30 days before or after the spouse gives birth. (Note: Taiwan's regulations require companies to provide leave in the 15 days before and after childbirth.)
	Family care leave	• To meet family care needs, SinoPac Holdings provides up to 12 days of family care leave including 5 days with paid.
	SinoPac Baby-Care	• Bank SinoPac, SinoPac Venture Capital, and SinoPac Leasing's "SinoPac Baby-Care" system increased childbirth subsidy to NT$6,888 per child and fully subsidize the fixed hospital medical insurance for employees' children aged 0-7.
	Special holiday festivals	• SinoPac organized the 75th anniversary family Day, free of charge event for sharing idle items, and the Christmas party led by the Chairman and the President with more than 7,500 employees.
Leave System Exceeding Regulatory Requirements	Special leave after onboarding	• New employees can enjoy proportional special leaves after onboarding. (Note: companies have to provide leaves to employees after working for six months based on Taiwan's regulations)
	Full-pay injury and sick leave	• 7 to 10 days of full-pay injury and sick leave each year (Note: half-pay is required based on Taiwan's regulations)

4.3.3 Senior Employee Rewards and Retirement System

SinoPac Holdings rewards employees with 5 years of service or more with a commemorative badge for their contributions. The Company also provides employees with a secure pension system and makes regular contributions to the statutory pension fund in accordance with the Taiwan Labor Standards Act and the Labor Pension Act to ensure employee pension benefits. Voluntary contributions from employees under the new labor pension system are also withheld and paid into the individual pension accounts of the Bureau of Labor Insurance. Overseas branches and subsidiaries shall be handled in accordance with the laws and regulations of the country where they are located. Please refer to page 54 of the 2023 SinoPac Holdings Financial Report for detailed data on the contributions.

4.4 Happy Workplace Environment

4.4.1 Harmonious Labor-Management Relations

SinoPac Holdings encourages employees to engage in diverse communication with the Company and has set up various internal communication and grievance channels. The Company also regularly conducts employee engagement surveys and turnover surveys for resigned employees to understand the thoughts of current/resigned employees and jointly create a harmonious work environment. In order to achieve smooth and effective communication between the Company and its employees, SinoPac Holdings and its subsidiaries established the SinoPac Holdings Labor Union, Bank SinoPac Labor Union, and SinoPac Securities Labor Union according to the Labor Union Act. Since 2011, SinoPac and labor unions renew the collective bargaining agreements every three years and communicate and negotiate with the unions on labor issues at regular intervals or from time to time. The capital representative and the labor representative of SinoPac Holdings signed a collective bargaining agreement with the labor union for the first time on December 19, 2019, covering employees of SinoPac Holdings, Bank SinoPac, SinoPac Securities, SinoPac Futures, SinoPac Securities Investment Service, and SinoPac Securities Venture Capital, SinoPac Venture Capital, SinoPac Leasing and SinoPac Securities Investment Trust. In order to create a friendly workplace, the capital representative and the labor representative of SinoPac Holdings held meetings in March, 2023, both parties agreed that employees who meet the qualifications can apply for paid family care leave.

Main Contents of the Collective Bargaining Agreements and Percentage of Employees' Participation in Unions (Note 1)

Labor unions	Contents of the agreement	Employees covered by collective bargaining agreements (Note 2)
Bank SinoPac Labor Union	• Bank SinoPac agrees to provide the venue and the software and hardware which is necessary for handling the affair of the union. The chairman of the union access to work in the union office all day. The union fee is deducted by Bank SinoPac on behalf of the union from employees' salaries each month. • Bank SinoPac shall not adjust working conditions for employees who are eligible for entering the Union without justifiable reasons.	83.95%
SinoPac Securities Labor Union	• The chairman, directors, supervisors, and members of the union may apply for official leave when they handle union affairs or participate in specific training in accordance with laws and regulations. The union fee is deducted by SinoPac Securities on behalf of the union from employees' salaries each month. • In case of restructuring, transfer, merger, etc. resulting in a change in the substantive right of operating, all employees shall be retained and shall be remain with no change in working conditions .	78.7%
SinoPac Holdings and Subsidiaries Labor Union (Note 3)	• In case of mergers and acquisitions, the rights of union members shall be well-protected. For instance, all union members shall be retained, prior consents shall be obtained from the labor union for changes in working conditions or layoffs after the merger, and a preferential retirement program shall be provided for union members who will not be retained or do not agree to be retained after the merger.	82.23%

Note 1 : For employees not included in the collective bargaining agreements, their working conditions and the terms of employment are based on the position and the internal regulations, which is not affected by other collective bargaining agreements.

Note 2 : Percentage of employees covered by collective bargaining agreements is based on total employees at the end of 2023.

Note 3 : SinoPac Holdings Labor Union members include employees of SinoPac Holdings, Bank SinoPac, SinoPac Securities, SinoPac Futures, SinoPac Securities Investment Service, SinoPac Securities Venture Capital, SinoPac Venture Capital, SinoPac Leasing, and SinoPac Securities Investment Trust.

4.4.2 Employee Communication

SinoPac Holdings utilizes a variety of channels to understand the issues which employees concerned, identifies potential negative impact, and draws up action plans.

Results of Employee Due Diligence in 2023

Channel of due diligence	Major concern issues / survey results
The corporate union labor-management meeting	• Bank SinoPac: "Employee Preferential Home Loan Program" and "Employee stock ownership Planning" • SinoPac Securities: Salary and benefits (including higher pay and the optimization of medical examination)
Internal feedback platform	• Employee benefits (the mechanism of flexible working hours) • Online Internal and external administrative procedures
Human rights risk due diligence	Please refer to 2.3.7 Human Rights Risk Identification and Management
Occupational health risk assessment	Evaluating employees' health condition through the questionnaires about overloading, musculoskeletal, etc. Collecting health information that employees want to know after lectures (e.g., muscle training, cancer prevention, etc.)

SinoPac Holdings has interchangeably conducted the " Employee Engagement Survey " or " Organizational Climate Survey " every year since 2015. In order to listen to employees and adjust policies and the management system accordingly if needed so that the Company can provide a friendly working environment for employees to create the long-term performance of the organization. In 2023, the results of the Organizational Climate Survey showed that employees' engagement rate was 90.2%, which was the highest score on record. Those showed that SinoPac Holdings has provided employees more space for development in their work with the regulations, environment and atmosphere of the workplace.

SinoPac Holdings Employee Survey

		2020	2021	2022	2023
Satisfaction rate (Note 1)		88.4%	87.8%	91.0%	90.2%
Survey type (Note 2)	Employee Engagement Survey	✔		✔	
	Organizational Climate Survey		✔		✔
Coverage (%) (Note 3)		100%	100%	100%	100%
Response rate (%) (Note 4)		80.13%	83.31%	82.85%	85.7%

Note 1 : The Employee Satisfaction Survey is on a scale from 1 to 7 (strongly agree) points. Items scored higher than or equal to 4 points (neutral) are counted as employee satisfaction rate.

Note 2 : The Employee Engagement Survey includes questions regarding employees' job satisfaction, sense of identity, loyalty, connection between work contribution and company objectives, and work security. SinoPac Holdings also used questions on the actual work to learn whether employees understand the purpose of their work, whether they can attain work-life balance, and whether they can feel a sense of accomplishment at work. The components of the Organizational Climate Survey include the organization's expectations for personal work performance (work quality and high expectations) and how employees react to stress.

Note 3 : The coverage rate was calculated based on number of employees assessed within the scope of the survey and the total FTEs in SinoPac Holdings and its first layer of subsidiaries, excluding dispatched employees. All employees have been included in the scope of the survey since 2020 and the coverage rate is 100% for all groups.

Note 4 : The response rate is based on the number of employees assessed and the total FTEs in SinoPac Holdings and its first layer of subsidiaries, excluding dispatched employees.

Internal Communication Channels

Besides employee surveys, SinoPac Holdings has also established multiple internal communication channels to let employees can voice their concerns in a timely manner and managers can have a deeper understanding of their thoughts. By doing so, SinoPac Holdings intensifies employee adhesiveness and strides hand in hand towards sustainable operation. Besides the dedicated Personnel Officers and Culture Instructors, Internal communication channels also comprise the iShare Website, friendly workplace column, SinoPac Classroom and internal publications such as the "SinoPac Newsletter" and "SinoPac Fun-Me" newsletters. Bank SinoPac also organizes regular "Appointment with CEO" seminars, Voice of Employees (VOE) program and Personnel Officers system.

The training of Personnel Officers

Notice of training for personnel officers and culture instructors

"SinoPac Newsletter", No.27

"SinoPac Fun-Me"

4.4.3 Occupational Health and Safety

SinoPac Holdings is committed to protecting employee health and safety and upholding the spirit of "Take Care of One Person, Protect One Family" With the four areas of occupational safety, comprehensive care, maternity health protection, and health promotion, and established a management system to provide all employees with five protection programs, including prevention of ergonomic hazards, abnormal workload, unlawful infringement in the performance of duties, the maternal health protection in the workplace, health protection of middle-aged and elderly. In order to provide a healthy workplace for all employees (including full-time employees and contracted employees), SinoPac has formulated occupational safety management policy and appointed dedicated personnel to continuously focus on the improvement for occupational safety in accordance with the International Occupational Health and Safety Management systems. Bank SinoPac obtained the " ISO 45001 Occupational Health and Safety Management Systems " certification in 2020 and formulated plans to gradually expand the scope of the certification. As the end of 2023, Bank SinoPac completed the certification of five self-owned buildings, which covered 83.3% of workplaces and 34.4% of employees. Bank SinoPac plans to attain 100% coverage rate for all self-owned buildings by 2026.

SinoPac Holdings' Occupational Health and Safety Commitment

4.4.3.1 Occupational Health and Safety Management System

Bank SinoPac has established the occupational health and safety system and the Occupational Health and Safety Committee in accordance with the Occupational Safety and Health Act. The Committee has a total of eight members and convenes meetings every quarter. The employer's agent, Vice President, who was appointed by the President is accountable for the implementation of health and safety management. Managers at all levels command and supervise the implementation of respective personnel. In addition to occupational health and safety related departments, the Human Resources Division, the union of Bank SinoPac, and bank channel management departments also assign representatives to attend the meeting to assist in the supervision and provide suggestions on occupational health and safety related issues.

According to the occupational health and safety management procedures, the Company draws up and updates its health promotion plans and other related occupational health and safety issues based on government policies and internal needs. Bank SinoPac disseminates matters related to occupational health and safety to employees through email. And employees can review them on the internal platform. Bank SinoPac also regularly tracks the results and continues to promote new knowledge of health and optimize related measures to create a healthy workplace.

Occupational Health and Safety Management System

Evaluate and formulate implementation plan

- Regularly review the Occupational Health and Safety Management Policy
- Establishment of the Occupational Health and Safety Management Committee
- Formulate annual healthcare implementation plan

Optimization of health promotion measures

- Assigned dedicated healthcare specialists to follow up on employees' illnesses and provide health education based on the level of severity
- Assign doctors to interview employees who have medium to high health risks and plan long-term health recovery plans
- Arrange health promotion seminars for key issues of concern in health examinations
- Monthly delivery of newsletters on new health knowledge
- Increase awareness of occupational accident information

Execute care measures

- Plan and execute annual health examinations
- Inspect and review workplace safety and healthcare
- Implement five major questionnaires and preventive education(prevention of ergonomic hazards, abnormal workload, unlawful infringement in the performance of duties, the maternal health protection in the workplace, health protection of middle-aged and elderly)
- Regular occupational health and safety training

Tracking of results

- Analysis of material anomalies in health examinations
- Recordkeeping of physical and mental health records and classification of illnesses
- Comprehensive evaluation of health risk classifications in health examinations, channel records, and questionnaire surveys
- Track occupational health and safety education and training records

4.4.3.2 Health Risk Map and Employee Health Management

SinoPac Holdings is committed to creating a secure, safe, and healthy workplace. Work environments meet regulatory requirements and pass inspections of the competent authority. The Company organizes inspections of the office work environment and carbon dioxide concentration detection each year, holds fire drills and compiles emergency response manuals periodically. The Company also installs AEDs (Automated External Defibrillators) in each buildings to strengthen the protection of employees, customers, and residents of the community and increase the attention and emphasis of occupational safety in each unit continuously.

Bank SinoPac implemented employee health risk assessment through three major procedures, including risk identification, risk assessment, and risk response to strengthen the protection of employee's health and safety. It also drafted risk map based on the risk levels and develop corresponding mitigation, prevention measures and quantitative goals of action for high-risk, medium-high risk, and risks with high impact and high frequency issue to optimize occupational health and safety continually. In addition, a total of 175 personnel officers have been set up to immediately notify the human resources department when an occupational disaster event occurs. Healthcare specialists take charge of subsequent occupational accident investigations, reporting, analysis of records, and post-trauma care. In case of injuries caused by unsafe equipment or sites, the company will immediately report to related departments for review and improvement. To ensure safety in all premises of business departments, the Company appointed the occupational safety and health affair managers, emergency aid personnel, and fire prevention personnel in accordance with regulations. The Company also assigns employees who have related licenses to participate in on-job training based on the frequency required in regulations and assigns employee healthcare specialists to provide each employee with a dedicated contact person to maintain workplace safety continuously and create a secure, safe, and healthy workplace.

Process of Risk Management

Risk Identification

The Company has identified 8 employee health risk issues based on the implementation status of the four major plans for labor health protection, data on claims filed for group insurance, employees' health examination data, occupational accident data, and material issues that affect employees' health risks of the current year (infectious diseases).

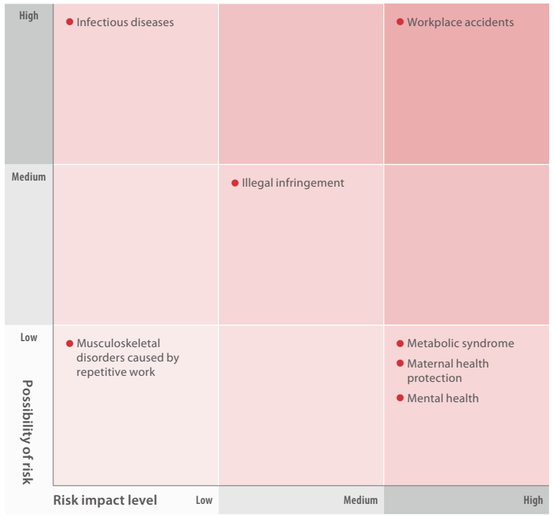
Risk Assessment

The Company classified the risks of employees' health risks and produced a risk map based on the level of impact of the risk on employees and possibility of risks of the Company's operations (including frequency and the scope of risks).

Risk Response

Create countermeasures for risks rated as medium-risk and above, and risks with high impact and high frequency issues based on the risk map to protect employee's health. SinoPac Holdings established preventive plans, mitigation measures and goals of action for workplace accidents, illegal infringement, metabolic syndrome, maternal health protection, mental health, and infectious diseases in 2023.

Occupational Health Risk Map



SinoPac Holdings Workplace Safety and Health Measures

Risk class	Health risk issue	Mitigation / preventive measures	Results
High risk	Workplace accidents	• Organize transportation and workplace safety courses • Healthcare specialists tracking and caring for each employee who have injuries and illnesses • Set up workplace safety inspection mechanisms • Provide employees with diverse hailing of taxi services	• 0 people died in occupational accident and 33 people were injured in workplace accidents. (Note 1) • 50 work places were inspected and 1 work place require repair, an improvement rate of 100% in 2023. • A total of 1,139 employees participated in safety and health courses.
Medium risk	Illegal infringement	• Organize friendly workplace seminars • Conduct training for the Illegal infringement • Formulating and optimizing the notification mechanism for Illegal infringement • Implement the mechanism of personnel officers	• Organized 2 diversity and inclusion seminars with 212 employees. • Organized a seminar on "Gender Equality and prevention of Illegal Infringement and Sexual Harassment in Workplace". Participants include chairman, executives, human resource department and other employees, with 9,253 employees.
Risks with high impact	Metabolic syndromes	• Organize various sports competitions and activities • Provide on-site counseling by physicians regularly • Provide physical health examination with optional packages • Organize health promotion seminars	• Provided 72 on-site consultation by physicians, with 401 employees. • Organized 4 lectures which is related to metabolic syndrome, with 526 employees. • Organized 6 sports competitions.
Risks with high impact	Maternity health protection	• Provide maternity leave and paternity leave, both are superior to regulatory requirements • Establishment of the maternal health protection program • Provide warm and comfortable breastfeeding rooms • Provision of physician care counseling services regularly	• 83 gifts of "Baby Package" were distributed to pregnant employees, with a total amount of NT$174,134. • 6 breastfeeding rooms have been certified by the Taipei City Department of Health.
Risks with high impact	Mental health	• Organize seminars and workshops on mental health promotion • Conduct surveys on stress condition of employees irregularly • Provide subsidies for club • Provide stress relief facilities in workplace	• Organized 4 seminars and workshops(Singing Bowl) on stress relief, with 367 employees. • Implemented workplace stress management program, more than 70% employees have completed the survey. The Company will track and care for employees with high risk. • Accumulated at least 42 million steps by participating in online games of walking competitions.
Risks with high frequency	Infectious diseases	• Update notification mechanism on time • Provide protection supplies to employees • Provide paid leave related to epidemic prevention	• Provided paid COVID-19 quarantine leave with 2,278 days of leave for employees. (Note 2) • Provided paid COVID-19 vaccination leave with 1,203 days of leave for employees. (Note 2)

Note 1 : Calculated in accordance with the definition in Article 2, Paragraph 5 of the Occupational Safety and Health Act.
Note 2 : Total number of days of leave related to epidemic prevention applied by employees during their employment in 2023.

SinoPac Holdings' subsidiary Bank SinoPac obtained the "Taiwan iSports Certification" from the Sports Administration, Ministry of Education, "Age Friendly Business Certification" from Department of Labor, Taipei City Government and "Excellent Breastfeeding Room Certification " from the Department of Health, Taipei City Government in 2023. SinoPac Securities obtained the "Workplace Health Promotion Certification - Health Promotion Label" from the Health Promotion Administration, Ministry of Health and Welfare, " Family Friendliness and Workplace Equality Measures Award " from New Taipei City Government and "Excellent Breastfeeding Room Certification " from the Department of Health, Taipei City Government in 2023. These awards showed that SinoPac Holdings' long-term investments in promoting employee health and exercise have received external recognition. Bank SinoPac organized 5 sessions of occupational safety and health training in 2023 to improve employees' awareness and skills for occupational safety and health. The Company also shared health information related to current affairs on the internal communication platform continuously to protect the health and safety of all employees on all domains.

Group photo of mountain-climbing club

4.4.3.3 Workplace Equality and Anti-Discrimination

To strengthen employees' awareness of anti-discrimination and sexual harassment prevention, SinoPac Holdings organized Illegal infringement training, sent online newsletters to all employees and provided a platform that all employees can discuss their opinion relating to gender equality. In 2023, utilized classes in person and online courses, held the "Gender Equality and prevention of Illegal Infringement and Sexual Harassment in Workplace" and "Workplace Illegal Infringement Case Analyses" courses. Provided compliant channels, relevant laws and regulations, case analyses and employee complaint procedures. Besides the participation of all employees, the Company also set up a training program for supervisors, so that they can provide colleagues the professional assistance immediately. The Company also set up the Voice of Employees (VOE) program, the President of Bank SinoPac assigns executives to visit each department, and collect employees' opinions and convey them to the President. A total of 294 employees were interviewed in 2023. SinoPac Holdings actively build a friendly environment in the workplace, President of SinoPac Holdings signed the "Non-Discrimination and Anti-Harassment Commitments" to show the determination for protecting equal rights in the workplace. SinoPac Holdings had not only won the "Gender Equality Leader Award" from the Taiwan Corporate Sustainability Award (TCSA) for three consecutive years but was also included in the Bloomberg Gender Equality Index (GEI) in 2023, which is participating the appraisal for the first time.

TCSA Gender Equality Leadership Award Ceremony

Anti-discrimination and Sexual Harassment Prevention Training

Course	Recipients	Number of participants	Number of hours
Gender Equality and prevention of Illegal Infringement and Sexual Harassment in Workplace	All employees	8,825	9,228
Workplace Illegal Infringement Case Analyses	Task force and investigators	62	156

Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment

Guidelines for Sexual Harassment Prevention, Complaint, and Investigation

Escalation Process and Mechanisms for Reporting Incidents of Discrimination and Harassment

Grievance channel	Explanation of mechanisms	Number of incidents of discrimination and harassment reviewed in 2023 and improvement measures		
		Complaint category	Number of incidents in 2023 (Note)	Improvement measures
Anti-discrimination and sexual harassment prevention hotline	SinoPac Holdings and subsidiaries established the "Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment" and the " Guidelines for Sexual Harassment Prevention, Complaint, and Investigation " in accordance with regulations. The Company also set up dedicated departments, complaint hotlines, and dedicated emails for employees, and organized regular awareness campaigns and training.	Anti-discrimination	4 anti-discrimination cases were confirmed after investigations in 2023	• The Company immediately activated effective correction and remedy measures after receiving the complaint and assigned dedicated departments to conduct investigations. The cases were submitted to the compliant committee for resolution and in the case of violation of the Law, reported to the Human Resources Arbitration Committee. • Following the case, SinoPac Holdings strengthened education and training for supervisors and employees on anti-discrimination and sexual harassment prevention, reiterating to all employees that if relevant circumstances reoccur, they could file grievance or appeal through multiple channels, creating a safe and friendly workplace to employees.
Friendly Workplace Mailbox	The direct reporting unit of the President sets up the friendly workplace mailbox to create a smooth bilateral communication channel, helps employees' opinions to be fully expressed and effectively handled and creates a friendly workplace environment.	Sexual Harassment	3 sexual harassment case was confirmed after investigations in 2023	

Note: The number of complaints is calculated based on the number of confirmed cases. Cases that have not been confirmed or withdrawn before investigations were not included.

5 Fulfillment of Green Operations

5.1 Green Operations

5.2 Sustainable Supply Chain

Corresponding GRI Material Topic - Critical Topics	
201: Economic Performance	305: Emissions
302: Energy	306: Waste

Science-based targets verified by SBTi

Science-based GHG reduction target verified by Science Based Targets initiative (SBTi).

10,000 metric tons of carbon credits

Purchased the first batch of 10,000 metric tons of carbon credit from the Taiwan Carbon Solution Exchange.

6.74 million kWh of green electricity

Cumulatively, we have signed a power purchase agreement and plan to import 6.74 million kWh of green power per year, equivalent to 20% of SinoPac's power consumption in 2023.

ISO 50001，ISO14001

Expand the scope of ISO 50001 Energy management and ISO 14001 Environmental Management Systems verification to 86%.

100%

100% of supplier's signing Supplier Sustainability Commitment.

Ranked as Leadership (A)

Ranked as Leadership (A) in CDP supplier engagement rating

5 Fulfillment of Green Operations

Sustainability Commitment	Corresponding SDG	Action Plans	2028 Goals
Mitigate and Adapt to Climate Change	13 CLIMATE ACTION	Promote climate change mitigation actions	• Maintain external verification coverage rate of 100% for domestic and overseas sites. • For the following major environmental topics, base year is 2021. 1. For our Science-based Target (SBT) of carbon emission reduction, achieve 29.4% reduction for Scope 1 and 2 by 2027. 2. Scope 3 Reduce fuel and energy-related activities by 45%. 3. Reduce electricity consumption by 5%. 4. Reduce water consumption by 5%. • Continue to review material scope 3 emissions and evaluate additional inventory items. (Note 1) • Participate in Carbon Disclosure Project (CDP) and achieve Leadership Level (A). • Increase the proportion of renewable energy usage to 55%. • Continue to implement internal carbon pricing mechanism. • Continue to enhance the identification of high-risk sites and monitor the risk process to complete the installation of waterproof floodgates in high-risk sites.
Promote Inclusive Growth	8 DECENT WORK AND ECONOMIC GROWTH	Enhance sustainable supply chain management	• Percentage of suppliers signing the Supplier Sustainability Commitment remain 100%. • Enhance the management system and strengthen supplier ESG screening mechanisms. • Strengthen suppliers' ESG awareness and assist suppliers to introduce ESG management policies and documents. • At least 20% of the suppliers in carbon-intensive industry set carbon reduction targets.
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Promote sustainable consumption and production patterns	• Increase the scope of green procurement and reached 100% of the purchasing items aligned with the government's green procurement and financial policies. • Continue to win the "Corporate Green Procurement Excellence Award" of the Ministry of Environment and actively enter contests for other related awards (e.g., Buying Power). • Increase the utilization rate of green building materials for renovation to more than 75%, which is higher than the 60% required by regulations.

Note 1: Please refer to 2.3.5 Climate Risk Management for the inventory results and disclosure of Scope 3 - Investment and Financing Portfolio Projects.

Summary of Six Capitals Performance in 2023

IN PUT

Financial Capital

- Investment in energy saving and carbon emissions reduction measures: NT$ 24.86 million.
- Amount of renewable energy purchased: NT $18.76 million.

OUT PUT

Natural Capital

- GHG emissions in Scope 1 and Scope 2 reduced by 2,530 metric tons CO_2e, a reduction of 13.02% compared to the base year (2021).
- Per-capita energy consumption was 12.36 GJ, a reduction of 10.88% compared to 2021.
- The renewable energy consumption was 12,487 GJ.
- Per-capita water consumption was 16.88 cubic meters, a reduction of 8.18% compared to 2021.

Summary of the Results in the 2023 Sustainable Development Plan

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note 1)
GHG and environment/ energy management	• Conducted GHG inventory at overseas sites with external certification. • Conducted the follow-up review of the ISO 14001 Environmental Management System in Zhonglun Building and Jianbei Building and introduce to Chengzhong Building, Nanjing Building, and Taikai Building. • Conducted the follow-up review of the ISO 50001 Energy Management System in Zhonglun Building, Chengzhong Building, and Jianbei Building and introduce to Nanjing Building and Taikai Building. • Completed the inventory review of 8 items in Scope 3 and added 1 new inventory item.	Completed	• Continue to conduct GHG inventory at domestic and overseas sites with external certification up to 100% coverage. • Introduce ISO 14001 Environmental Management System and ISO 50001 Energy Management System to Beigao building, and conduct follow-up review in Zhonglun Building, Chengzhong Building, Jianbei Building, Nanjing Building, and Taikai Building. • Complete the inventory review of 9 items in Scope 3 and add 1 new inventory item.
Prepare for net zero emissions	• Reviewed/adjusted the internal carbon pricing mechanism. • Completed the fourth response to the Carbon Disclosure Questionnaire (CDP). • Increased the usage of renewable energy by 10%. • Completed the SBT carbon reduction path from base year (2021) to achieve in Scope 1 and Scope 2 emissions reduction targets of 4.2% per year, and a total emission reduction target of 29.4% by 2027.	Completed	• Review/adjust the internal carbon pricing mechanisms. • Complete the fifth response to the Carbon Disclosure Questionnaire (CDP). • Increase the proportion of renewable energy usage to 17.5%. • Achieve the SBT carbon reduction path from base year (2021) to attain in Scope 1 and Scope 2 emissions reduction targets of 16.8%. • Scope 3 fuel and energy related activities reduced by 15% compared to the base year (2021).
Supplier management	• Held one internal educational training for green procurement. • Increased the proportion of suppliers signing the Supplier Sustainability Commitment to 95%. • Increased the scope of green procurement and reached 80% of the purchasing items aligned with the government's green procurement and financial policies.	Completed	• Hold one internal educational training for green procurement. • Increase the proportion of suppliers signing the Supplier Sustainability Commitment to 100%. • Increase green procurement and reached 90% of the purchasing items aligned with the government's green procurement and financial policies.

Note 1: Please refer to "Sustainable Development Goals and Vision" on the official website of SinoPac Holdings for the latest sustainability work plans and target setting.

5.1 Green Operations

5.1.1 Environmental Policies and Management

SinoPac is committed to reducing the environmental impact of its operations through promoting various carbon reduction actions, and working with stakeholders in the value chain to achieve low-carbon transformation and achieve net zero goal. In March 2022, SinoPac Holdings has officially pledged to achieve net zero emissions in its own operations by 2030 and SBT goal for net zero in the Group's investment and financing portfolio by 2050, and our target was verified by the Science Based Targets Initiative (SBTi) in January 2024. In terms of operation, SinoPac is committed to protecting the environment, raising the environmental awareness of employees and suppliers, introducing environmental management systems, and reducing greenhouse gas emissions and waste. The Company also convene meetings of the Sustainable Development Committee at least once every quarter to track the short, medium, and long-term targets by Environmental Protection Team report to the progress.

SinoPac Holdings continues to implement green and low-carbon actions, after expanding the coverage of ISO 14064-1:2018 GHG inventory to 100% in Taiwan in 2020, the Company completed the inventory for overseas sites in August 2021 and obtained external certification in 2022 to increase both the scope of inventory and certification of domestic and overseas operations to 100%, SinoPac Holdings therefore adjusted the base year to 2021. In 2023, the Company also expanded the scope of the ISO 50001:2018 Energy Management System to 86%, expanded the scope of ISO 14001:2015 Environmental Management System to 86%, and obtained external certification for the company's seven self-owned buildings, and was awarded the 2023 British Standards Institution (BSI) Sustainability and Resilience Practice Award. In addition, SinoPac and its first-tier subsidiaries have introduced an internal carbon pricing mechanism to improve energy efficiency, deepen carbon reduction awareness, and implement low-carbon operations by promoting internal behavior changes.

SinoPac was awarded BSI Sustainability and Resilience Practice Award in 2023

As of the end of 2023, SinoPac Holdings has already accumulated on signing a Power Purchase Agreement (PPA), securing a total of 6.74 million kWh green electricity per year. In addition, SinoPac Holdings completed the construction of rooftop solar PV system totaling 13.5KW, which is expected to generate approximately 16,000 kWh each year equivalent to approximately 8 tons of carbon emissions reduction (4,231 kWh of electricity generated from September 2023). In the same year, SinoPac and its subsidiaries purchased the first batch of 10,000 metric tons of carbon credits from the Taiwan Carbon Solution Exchange to for preparing carbon neutrality, and will continue to launch green energy and low-carbon transformation plans in accordance with the net zero emissions goal in the future, moving towards the vision of sustainable finance. Regarding of SinoPac Holdings' net zero strategy, please refer to Special Chapter 3 Preparation for Net Zero Emissions.

Independent Verification of SinoPac Holdings' Environmental Related Data

Environmental management certification	Coverage 2022 (Note1)	Coverage 2023 (Note2)	Certificate
ISO14064-1:2018 GHG Inventory (Note 3) (Note 4)	100%	100%	
ISO50001:2018 Energy Management System	35%	86%	
ISO14001:2015 Environmental Management System	35%	86%	

Note 1 : Coverage = Number of employees in the buildings where external verification was adopted/ number of SinoPac Holdings employees; the number of employees referred to the number of regular employees in Taiwan, excluding contract employees and overseas employees. In 2022, ISO 14064-1 added full-time overseas employees.

Note 2 : The greenhouse gas inventory coverage rate = Number of employees in the buildings where external verification was adopted/ number of SinoPac Holdings employees; the number of employees referred to the number of regular employees in Taiwan, excluding dispatched employees. Energy and Environment Management Systems = Calculated based on the completion of the implementation of 6 self-owned buildings/7 self-owned buildings.

Note 3 : SinoPac Holdings has conducted greenhouse gas inventory under ISO 14064-1:2018 since 2019. The categories of greenhouse gas defined by ISO 14064-1:2018 are: the original Scope 1 is adjusted to Category 1 (direct GHG emissions), the original Scope 2 is adjusted to Category 2 (indirect GHG emissions from imported energy), and the original Scope 3 is adjusted to Category 3 (indirect GHG emissions from transportation), category 4 (indirect GHG emissions from products used by organization), category 5 (indirect GHG emissions associated with the use of organization's products), and Category 6 (indirect GHG emissions from other sources). In order to correspond to the terms used by the competent authorities and external evaluations, SinoPac Holdings maintains the terms of Scope 1, Scope 2, and Scope 3 for disclosure, and explains in the notes that each category corresponds to the items of ISO 14064-1:2018.

Note 4 : Global Warming Potential (GWP) used in the Greenhouse Gas Inventory is from Intergovernmental Panel on Climate Change (IPCC)'s sixth version assessment report in 2021.

In 2023, SinoPac Holdings held 9 environmental training and forums for approximately 1,748 employees with a financial input of NT$450,000. By conducting environmental training covering topics such as supply chain sustainability circular economy, sustainability development trends and challenges, GHG inventory and information gathering, environmental and energy management, and climate change, SinoPac Holdings aims to raise employees' climate awareness and further fulfill its the commitment to a sustainable environment. SinoPac Holdings' efforts in environmental operations and management have been highly recognized by internal and external stakeholders. In 2023, SinoPac Holdings participated in the CDP survey for the fourth year and was honored with a leadership rating of A- for four consecutive years.

In addition to its own environmental performance management, SinoPac Holdings is also working on the procurement side, conducting supplier risk identification and on-site audits, and building a supplier evaluation platform, hoping to support suppliers that provide low-carbon, sustainable products through green procurement and supplier sustainability management mechanisms, and encouraging suppliers to jointly set carbon reduction targets.

SinoPac Holdings participated in the CDP survey for the fourth year

Ranked A- Leadership rating for four consecutive years

Summary of the Energy and Resource Management Performance and Target Achievement in 2023

Item	GHG Emissions: Scope 1	GHG Emissions: Scope 2	GHG Emissions: Scope 3 – Fuel and energy related activities	Energy use	Water use	Amount of waste	Renewable energy use
The Base Year	2021	2021	2021	2021	2021	2021	–
The Base Year Volume (Note)	1,284.34 metric tons of CO_2e	18,155.42 metric tons of CO_2e	4,036.40 metric tons of CO_2e	36,361 MWh	173,360 cubic meters	563.06 metric tons	0 MWh
Target Description	10% reduction from the base year	10% reduction from the base year	10% reduction from the base year	2% reduction from the base year	2% reduction from the base year	2% reduction from the base year	10% renewable energy usage
Target for 2023	1,155.91	16,339.88	3,632.76	35,634	169,893	551.80	3,421.46
Actual Volume in 2023	1,508.20	15,401.45	3,026.79	35,544	174,609	548.71	3,468.71

Note: The GHG volume in the base year includes relevant data of domestic sites (which have been verified by a third party) and overseas sites (self-estimated).

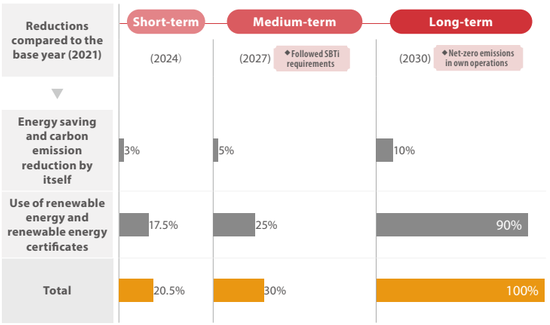
5.1.2 Energy and Resource Management

5.1.2.1 Greenhouse Gas Management

Since 2018, SinoPac Holdings has implemented the greenhouse gas inventory using the operational control approach to obtain information on the total greenhouse gas emissions of SinoPac Holdings and its subsidiaries. The Company has also set short, medium, and long-term reduction targets for Scope 1 and Scope 2 emissions in accordance with the financial industry indicators of the Science Based Targets Initiative (SBTi). The Company will achieve net zero emissions goals in 2030 through energy conservation and carbon reduction, use of renewable energy, and renewable energy certificates. The sources of Scope 1 emissions of SinoPac Holdings mainly include greenhouse gases produced by the refrigerants of air conditioners, water dispensers, dehumidifiers, refrigerators, and emissions from gasoline and diesel of self-owned vehicles (official vehicles), generator diesel fuels, gaseous fire extinguisher, and septic tanks. The main emission incurred of Scope 2 is the electricity purchased from outside.

In 2023, GHG emissions of Scope 1 and Scope 2 were reduced by 13.02% with a total of 2,530 metric tons, and per-capita emissions were reduced by 20.70% compared to 2021, showing great progress to reach the reduction target.

SinoPac Holdings' Short, Medium, and Long-term Targets for GHG Emissions Reduction (Scope 1+Scope 2)



Scope 1 GHG Emissions (Category 1) from 2020 to 2023

GHG Emissions	2020	2021	2022	2023
Scope 1 Emissions (metric tons of CO_2e /year) (Note 1)	1,164.54	1,284.34	1,353.37	1,508.20
Scope 1 Emission Intensity (metric tons of CO_2e /person)	0.125	0.136	0.139	0.146
Data Coverage (Note 2)	100%	100%	100%	100%
External Verification Coverage (Note 3)	100%	100%	100%	100%
Verification (ISO 14064-1:2018) Scope Description	All domestic operating sites of SinoPac Holdings and its five major subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope. The externally certified emission value was 936.39 metric tons of CO_2e, with a coverage rate of 100%, and the remaining unverified data are estimated by the externally certified emission value of overseas sites in 2022 (228.15 metric tons of CO_2e).	All domestic operating sites of SinoPac Holdings and its five major subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope. The externally certified emission value was 1,061.85 metric tons of CO_2e, with a coverage rate of 100%. Additionally, 222.49 metric tons of CO_2e (unverified) from overseas sites in 2021 were added to the estimation.	All domestic and overseas operating sites of SinoPac Holdings are included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), with an externally verified coverage rate of 100%.	All domestic and overseas operating sites of SinoPac Holdings are included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), with an externally verified coverage rate of 100%.

Note 1 : SinoPac Holdings GHG inventory mechanism of SinoPac Holdings has been gradually completing and all the domestic sites emission sources of Scope 1 were fully covered in 2020.

Note 2 : Data coverage was based on the emission source of Scope 1 GHG emissions in the year.

Note 3 : External verification coverage = Number of employees in the buildings where external verification was adopted/the total number of domestic and overseas sites employees of SinoPac Holdings, excluding contract employees.

GHG Emissions from Business Travel from 2020 to 2023 (Self-owned vehicles) (Note 1)

Years	2020 (Note 5)	2021 (Note 6)	2022	2023
Emissions (metric tons of CO_2e /year) (Note 2)	410.15	348.89	382.34	375.02
Data Coverage (Note 3)	100%	100%	100%	100%
External Verification Coverage (Note 4)	100%	100%	100%	100%

Note 1 : SinoPac Holdings' fleets are self-owned official vehicles.

Note 2 : GHG Emission = the amount of Diesel procurement x the emission factor Global warming potential (GWP).

Note 3 : The domestic sites consumption of gasoline and diesel for official vehicles was based on the data of the gasoline and diesel purchased by SinoPac Holdings and its subsidiaries, which is provided by CPC Corporation's fuel card electronic platform, adding the actual refueling volume of official vehicles of overseas subsidiaries (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), and the coverage rate was 100%.

Note 4 : External verification coverage = Number of employees in the buildings where external verification was adopted/the total number of domestic and overseas sites employees of SinoPac Holdings, excluding dispatched employees.

Note 5 : The externally certified emissions in 2020 were 193.50 metric tons of CO_2e. The remaining unverified data are estimated by 2022 externally verified values of overseas sites (216.65 metric tons of CO_2e).

Note 6 : The externally verified emissions in 2021 were 137.74 metric tons of CO_2e. Additionally, 211.15 metric tons of CO_2e (unverified) from overseas sites were added to the estimation.

Categories of Scope 1 (Category 1) GHG in 2023

Category of GHG	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Total GHG Emissions
Category 1 Emissions (metric tons of CO_2e/year)	376.45	222.67	5.17	903.91	0	0	0	1,508.20
Percentage of Total Emissions	24.96%	14.76%	0.34%	59.93%	0%	0%	0%	100%

Scope 2 GHG Emissions (Category 2) from 2020 to 2023

GHG Emissions	2020	2021	2022	2023
Total Scope 2 GHG Emission (Note 1) **(metric tons of CO_2e /year)**	18,724.99	18,155.42	17,855.67	15,401.45
Market-based Emission	18,724.99	18,155.42	17, 855.67	15,401.45
Location-based Emission	18,724.99	18,155.42	17,975.32	17,116.37
Scope 2 GHG Emission Intensity (metric tons of CO_2e/ person)	2.01	1.93	1.84	1.49
Data Coverage (Note 2)	100%	100%	100%	100%
External Verification Coverage (Note 3)	100%	100%	100%	100%
Verification (ISO 14064-1:2018) Scope Description	All domestic operating sites of SinoPac Holdings and its five major subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope. The externally certified emission value was 17,566.10 metric tons of CO_2e, with a coverage rate of 100%, and the remaining unverified data are estimated by the externally certified emission value of overseas locations in 2022 (1,158.89 metric tons of CO_2e).	All domestic operating sites of SinoPac Holdings and its five major subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope. The externally certified emission value was 16,757.39 metric tons of CO_2e, with a coverage rate of 100%. Additionally, 1,398.03 metric tons of CO_2e (unverified) from overseas sites in 2021 were added to the estimation.	All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), with a coverage rate of 100%.	All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), with a coverage rate of 100%.

Note 1 : Scope 2 GHG emissions were converted based on the latest coefficients released by the Energy Administration in the year (0.509, 0.502, 0.509, and 0.495 $KgCO_2e$/kWh from 2020 to 2023 respectively).

Note 2 : As the electricity consumption of SinoPac Holdings and its major subsidiaries was included, the data coverage was 100%

Note 3 : External verification coverage = Number of employees in the buildings where external verification was adopted/the total number of domestic and overseas sites employees of SinoPac Holdings; excluding dispatched employees.

SinoPac Holdings has covered 9 items in scope 3 inventory with external verification in 2023, and will continue to expand the inventory scope in the future.

Scope 3 / Self Operation site or branches (Category 3~6) GHG Emissions in 2023

Scope 3 / Self Operation site or branches Item (Note 2)		Volume	GHG Emissions (Metric tons of CO_2e)	Data Coverage (Note 1)	Coverage Description
Upstream transport and distribution (Note 3)	Emissions form upstream transport and distribution of goods (photocopying paper)	2,949 tkm	1.73	89%	SinoPac Holdings /Bank SinoPac / SinoPac Securities /SinoPac SITC / SinoPac Leasing / SinoPac Venture Capital
	Emissions form upstream transport and distribution of goods (credit card)	79 tkm	0.05	100%	
	Emissions form upstream transport and distribution of goods (PC)	387 tkm	0.23	89%	
	Total	-	**2.01**	-	
Downstream transportation and distribution	Emissions form downstream transportation and distribution of goods (credit card to customers)	10,496,707 g	2,151.82	100%	
Business travel	Business travels - Airplane (Note 4)	4,652,075 km	211.48	100%	
	Business travels - High speed rail (Note 5)	1,097,544 passenger-km	35.12	89%	
	Total	-	**246.60**	-	
Purchased goods and services	Purchased products (tap water)	175 cubic meters	28.79	100%	
	Purchased products (PC)	1,078 sets	543.31	89%	
	Purchased products (NB)	111 sets	37.01	89%	
	Purchased products (credit card)	730,000 cards	197.37	100%	
	Purchased products (A4 photocopying paper)	85,849 (500sheet/package)	291.89	89%	
	Purchased products (A3 photocopying paper)	496 (500sheet/package)	3.47	89%	
	Total	-	**1,101.85**	-	
Fuel and energy-related activities	Energy-related activities (electricity)	34,210 MWh	2,926.55	100%	
	Energy-related activities (gasoline diesel/LPG)	143.05 kl	100.16	100%	
	Energy-related activities (natural gas)	0.163 cubic meters	0.08	100%	
	Total	-	**3,026.79**	-	
Waste generated in operations	Waste generated (Note 6)	366 mt	131.69	89%	
Upstream leased assets	Upstream leased assets (electricity consumption of IDC computer room)	4,252.74 MWh	2,274.70	100%	
Use of sold products	Use stage of the product (credit card)	730,000 cards	327.80	100%	
End-of-life treatment of sold products	End-of-life of the product (credit card)	730,000 cards	52.91	100%	
Other sources	Other indirect emissions (Note 7)	0	0	0	
		Total (Note 8)	**9,316.17**		

Note 1 : Data coverage was calculated based on the number of employees; the employee number data of photocopying paper, PC, NB, High-Speed Rail, and waste excluding overseas full-time and dispatch employees; all other items include domestic and overseas full-time employees, excluding dispatch employees.

Note 2 : In order to maintain consistent wording in the report, the terms used in GHG Protocol Scope 3 Indirect GHG emissions are used. The terms corresponding to ISO14064:2018 are upstream transportation and distribution, business travel corresponds to Category 3–indirect GHG emissions from transportation; purchased goods and services, fuel and energy-related activities, waste generated in operations, upstream leased assets correspond to Category 4–indirect GHG emissions from products used by the organization; use of sold products, end-of-life treatment of sold product correspond to Category 5–indirect GHG emissions from the use of organization's products.

Note 3 : For the transportation emissions from product procurement, emissions are calculated based on the distance from the manufacturer to the actual delivery locations of SinoPac Holdings and the weight of goods.

Note 4 : GHG emissions from overseas business travel per flight were calculated based on the Carbon Emissions Calculator developed by the International Civil Aviation Organization (ICAO). The coverage included SinoPac Holdings, Bank SinoPac, SinoPac Securities, SinoPac SITC and SinoPac Leasing. SinoPac Venture Capital have no overseas business travel in 2023.

Note 5 : GHG emissions from domestic business travel by High-Speed Rail per trip = Travel data retrieved from the corporate member system of Taiwan High Speed Rail Corporation x Carbon footprint of passenger transport between stations provided by Taiwan High-Speed Rail Corporation.

Note 6 : In 2019, SinoPac Holdings started to weigh the total waste produced from self-owned buildings of SinoPac Holdings and its subsidiaries and calculate the GHG emissions from incineration of general industrial waste by multiplying general industrial waste produced from each office building by the emission factor for waste incineration released by the Ministry of Environment on the Carbon Footprint Calculation Platform. The emission factor t for waste incineration was adopted from the carbon footprint database established by Miaoli Refuse Incineration Plant in 2018 and Gangshan Refuse Incineration Plant in 2020, which are currently up-to-date and disclose waste incinerated services of the same property. The buildings in northern and southern Taiwan adopted an emission factor for waste incineration from the Miaoli Refuse Incineration Plant or Gangshan Refuse Incineration Plant based on their location.

Note 7 : Indirect GHG emissions from other sources were not included in the inventory this year.

Note 8 : Scope 3 GHG emissions are calculated based on the nature of the activity, using verified emissions and coefficient data provided by the product or service providers. If there is no emission data or emission factor, it adopted an emission factor from Ministry of Environment on the Carbon Footprint Calculation Platform, related international industrial standards, or carbon footprint calculation platforms.

5.1.2.2 Energy Management

SinoPac Holdings has set up seven of its own buildings to gradually implement the ISO50001 Energy Management System from 2019 onwards to optimize energy management efficiency. In 2023, SinoPac Holdings implemented ISO50001 in the sixth self-owned building (Beigao) and increased the coverage of certification to 86%. The Company also continuously monitors and measures the performance of energy conservation measures based on the key characteristics of operations.

In 2023, total electricity consumption was reduced by 3.1% compared to base year (2021); in terms of per-capita electricity consumption was reduced by 11.6%; per-capita fuel consumption increased by 15.4% compared to base year due to the ease of pandemic and the resumption of business visits and shuttle bus services; the overall internal energy intensity reduced by 10.9%. In addition, Bank SinoPac and SinoPac Securities have signed Power Purchase Agreement (PPA) respectively for 5.2 million kWh and 1.54 million kWh of renewable energy, which equals to 20% of SinoPac Holdings' 2023 electricity consumption. The company also completed the construction of 13.5 KW rooftop PV system on its own office buildings, with an annual power generation of 16,000 kWh. It is estimated that Bank SinoPac will reduce carbon emissions by 3,344 metric tons per year after the introduction of the green electricity mentioned before, which is equivalent to the carbon adsorption of 8.7 Daan Forest Parks in one year.

The rooftop solar PV system at Bank SinoPac Beigao building.

SinoPac Holdings completed five energy conservation and carbon reduction measures in 2023, including optimizing illumination and air conditioning, controlling electricity and water consumption, and organizing awareness training, reducing 828 MWh of electricity in total, equivalent to 410 metric tons of CO_2e. On the part of products and services, the Company continued to promote paperless services, including electronic credit card statements, online credit card applications, and online loan applications, reducing a total of 1,650 metric tons of CO_2e

Total Energy Use and Energy Intensity from 2020 to 2023

Item	Unit		2020	2021	2022	2023
Direct Energy Consumption (Gasoline + Diesel)(Note 1)	Liter (L)		155,791	112,937	147,528	143,019
Indirect Energy Consumption (Electricity)	Megawatt hour(MWh)		36,396	35,303	34,688	30,746
Total Energy Consumption (Non-renewable Energy)	Gigajoule (GJ)		136,125	130,794	129,721	115,370
	Megawatt hour (MWh)		37,843	36,361	36,062	32,073
Total Energy Consumption (Renewable Energy)	Gigajoule (GJ)		-	-	846	12,487
	Purchase	Megawatt hour (MWh)	-	-	235	3,464
	Self-generate		-	-	-	4
Energy Intensity	GJ/person		14.64	13.87	13.35	12.36
	MWh/person		4.07	3.86	3.71	3.44
Data Coverage (Note 2)			100%	100%	100%	100%
External Verification Coverage			100%	100%	100%	100%
Scope Description			All domestic operating sites of SinoPac Holdings and its five major subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope, adopted ISO 14064-1:2018 GHG Inventory, and increased the coverage to 100%. The 2020 GHG inventory concluded at 35,309 MWh and the remaining was estimated by the externally certified value at overseas sites in 2022 (2,534 MWh).	All domestic operating sites of SinoPac Holdings and its five major subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope and adopted ISO 14064-1:2018 GHG Inventory. The external verified GHG inventory was 33,972 MWh in 2021. Additionally, 2,389 MWh of GHG inventory (unverified) from overseas sites in 2021 were added to the estimation, with a coverage rate of 100%.	All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries SinoPac Holdings Consolidated Financial Report) and adopted ISO 14064-1:2018 GHG Inventory with a coverage rate of 100%.	All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries SinoPac Holdings Consolidated Financial Report) and adopted ISO 14064-1:2018 GHG Inventory with a coverage rate of 100%.

Note 1 : According to the Ministry of Environment's Greenhouse Gas Emission Factor Table (Version 6.0.4), the heat values of automotive gasoline and diesel fuel are 7,800 Kcal/L and 8,400 Kcal/L respectively.

Note 2 : The number of employees refers to the number of full-time domestic and overseas employees, excluding dispatched employees.

Note 3 : 1 Megawatt hour(MWh) = 3.6 Gigajoule(GJ).

Energy Conservation and Carbon Reduction Measures and Results in 2023

Business Premise	Energy Conservation Measure	Description	Annual Electricity Saved (MWh)	GHG Reduced (metric tons -CO_2e)
Bank SinoPac	Electricity consumption of air conditioning cooling tower	Replacing the air conditioning ice water hosts, ice water pumps, and cooling towers at Zhonglun Building, saving power on the hosts and cooling tower fans.	273	135.14
Bank SinoPac	Electricity consumption of air conditioning	Replacing the original air conditioning water-cooling ice water hosts in Wugu branch with inverter split air conditioners	131.56	65.12
Bank SinoPac	Installation of LED lighting fixtures	Replacing traditional lighting fixtures with energy-saving LED lighting fixtures in branches and offices	295.81	146.42
SinoPac Securities	Electricity consumption of air conditioning (Note 1)	Replacing the ice water hosts in Taikai Building, and replacing the original split air conditioners at Wanshen, Banxin, Guting branches with new ones.	107.78	53.35
SinoPac Securities	Installation of LED lighting fixtures (Note 1)	Replacing traditional lighting fixtures with energy-saving LED lighting fixtures in offices.	19.76	9.78
		Total	827.91	409.81

Note 1: The annual electricity saved was calculated based on the difference of electricity consumption in two years.

Measures and Results of Paperless Services

Measure	Results
Internal: Convene meetings with communication software and video conferencing systems	• Increased the frequency of using teams to convene meetings. • Approximately 1,318 meetings were convened by using Paperless Meeting System (PMS) , with 14,704 participants.
External: Promote electronic and digital products and services	• In 2023, about 229.16million pieces of paper were saved (Note 1), reducing carbon emissions by 1,650 metric tons (Note 2). • Bank SinoPac launched paperless services such as electric credit card statements, online credit card applications, online loan applications, online loan approval, digital platform services, and IVR, which saved approximately 88.27 million pieces of paper. • SinoPac Securities launched paperless services such as e-statements, online account opening, and digital orders, which saved approximately 140.87million pieces of paper. • SinoPac SITC launched paperless services such as e-statements and digital orders, which saved approximately 22,000 pieces of paper.

Note 1: The quantity of paper = the number of services provided on the digital services platforms x the average number of papers used per service.

Note 2: According to the Carbon Footprint Calculation Platform of the Ministry of Environment, the paper's CO_2 emission factor is 3.60 kg of CO_2e (a ream of A4 paper, 500 pieces).

Implementation of Internal Carbon Pricing (ICP)

SinoPac Holdings follows the principle of "raising climate awareness and promoting low-carbon transformation" and supports sustainable trends while implementing carbon reduction management mechanisms. The Company introduced ICP in 2022 to the Group and level one subsidiaries to improve energy efficiency and reduce carbon emissions, and raise carbon reduction awareness and changes internal behaviors within the company.

SinoPac Holdings took GHG emissions from own electricity consumption (Scope 2) as the baseline, using shadow price to evaluate the effectiveness of energy conservation and carbon emissions reduction actions of its operating sites. The hidden carbon costs and benefits were included in the evaluation. In 2023, SinoPac's analysis of the average cost of each ton of CO_2e reducing in recent years will still be NT$5,000/ton CO_2e, and continue to be used as the reference basis for internal carbon pricing. At the beginning of each year, the internal carbon pricing mechanism refers to the carbon reduction targets and implementation status of subsidiaries to calculate their carbon emission costs/carbon income and to further plan the optimal action plan and formulate carbon reduction plans. Energy conservation benefits were evaluated based on carbon reduction targets to conduct trial calculation of carbon prices. Those who do not meet the target will have their carbon fees calculated, and those who meet the target will have their carbon income calculated so as to achieve substantial carbon emissions reduction results. SinoPac Holdings will continue to use Science Based Targets (SBT) and international carbon pricing trends for continuous ICP adjustments and gradually link the ICP to our commitment for attaining net zero emissions in company operations by 2030 while expanding the scope of application.

5.1.2.3 Waste Management

Waste from the office buildings of SinoPac Holdings and its subsidiaries is mainly domestic waste. Recyclable waste is divided into four categories: paper, bottles, iron and aluminum cans, and IT equipment. All general and recyclable waste is shipped by qualified contractors to incinerators or recycling sites for disposal. The paper waste is collected and managed by the responsible unit of the Company and handled in accordance with the document destruction rules before being handed over to the paper manufacturer for disposal as recycled paper raw material. The waste of electronic product waste is handled in accordance with internal information safety rules, and any digital data related to customer information is also kept secure and confidential and destroyed in accordance with the internal rules and procedures. SinoPac Holdings starts to calculate total waste from the seven self-owned buildings based on the actual weight since 2019, and in 2020 the newly added data from Xingda Building was also included in the scope of waste management in 2020. In 2021, the coverage of waste management was expanded to all our domestic operation sites and reached a 100% coverage rate. Although there was an increase in personnel and operational locations in 2023, the total amount of waste generated during the operation process was 548.71 metric tons, which is still a 3% decrease compared to the baseline year of 2021.

Waste Management Criteria and Total Waste from 2020 to 2023

Type of Waste (Metric Tons)		2020	2021	2022	2023
Recyclable Waste (Note 1)	Paper/bottles/iron and aluminum cans	132.99	204.70	189.03	182.48
	Electronic waste (computers/ monitors/printers)	2.71	N/A	1.66	0.43
General Industrial Waste (Note 2)	Incineration process volume	190.22	358.36	389.08	365.80
	Landfill volume	0	0	0	0
Total Waste (Note 3)		325.92	563.06	579.77	548.71
Data Coverage (Note 4)		50.24%	100%	100%	100%

Note 1: All recyclable wastes are handed over to qualified contractors for disposal. Since 2021, SinoPac Holdings has started to track the flow of waste recycled by contractors. Among them, paper (41.73 tons in 2022, 44.50 tons in 2023) is transported to paper mills for water destruction, recycling, and reuse. The flow of other categories of recycling waste will continue to be tracked.

Note 2: General industrial waste is disposed of by qualified contractors and shipped to local incinerators equipped with waste heat recovery systems for power generation.

Note 3: In 2019, SinoPac Holdings started to weigh the total waste produced from 7 self-owned buildings of SinoPac Holdings and its subsidiaries. In 2020, a total of 8 new buildings including the Xingda Building were added, and in 2021, increased to the total amount of waste in all domestic operating sites.

Note 4: Data coverage was calculated based on the number of employees; the number of employees referred to the number of full-time employees in Taiwan excluding dispatched and overseas employees.

5.1.2.4 Water Resources Management

The water resources used by SinoPac Holdings and its subsidiaries are mainly tap water, and mainly used for drinking, air conditioning, and cleaning. There is no groundwater or other sources of water supply. In 2023, due to a 9.69% increase in headcount compared to the 2021 base year and an increase in operating bases, the overall water consumption was 174,609 cubic meters, which represents a 0.72% increase compared to the base year. However, the per-capita water consumption was a decrease of 8.18% at 16.88 cubic meters. The Company promoted water-saving measures and took relevant water conservation measures such as cherishing water resources to all colleagues through the replacement of air-conditioning cooling towers, installation of sensor faucets, and the "SinoPac Life" website platform.

Water Resources Management Criteria and Water Use from 2020 to 2023

Water Resources Management Criteria	Unit	2020 (Note 4)	2021 (Note 5)	2022 (Note 6)	2023 (Note 6)
Total water consumption (Note 1)	cubic meters	179,997	173,360	173,369	174,609
Per-capita water consumption (water consumption intensity) (Note 2)	cubic meters/ person	19.36	18.38	17.84	16.88
Data Coverage	%	100	100	100	100

Note 1: Water consumption was calculated by the actual usage on water bills of SinoPac Holdings and its five subsidiaries. The water consumption of SinoPac Holdings is mainly domestic water, and the fresh water withdrawal is equivalent to the water discharge, hence the net consumption of fresh water is 0.

Note 2: Per-capita water consumption = Amount of water use within the scope of this report/total number of SinoPac Holdings' employees. The number of employees refers to the number of domestic and overseas sites full-time employees excluding dispatched employees.

Note 3: The number of employees refers to the number of domestic and overseas sites full-time employees excluding dispatched employees.

Note 4: The externally verified domestic water consumption in 2020 was 177,788 cubic meters. The remaining unverified data are estimated by 2022 externally verified values of overseas sites (2,211 cubic meters of water consumption).

Note 5: The externally verified domestic water consumption in 2021 was 171,054 cubic meters. The remaining unverified data are estimated by 2021 unverified values of overseas sites (2,306 cubic meters of water consumption).

Note 6: All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries will be included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report)

Water Conservation Measures and Results in 2023

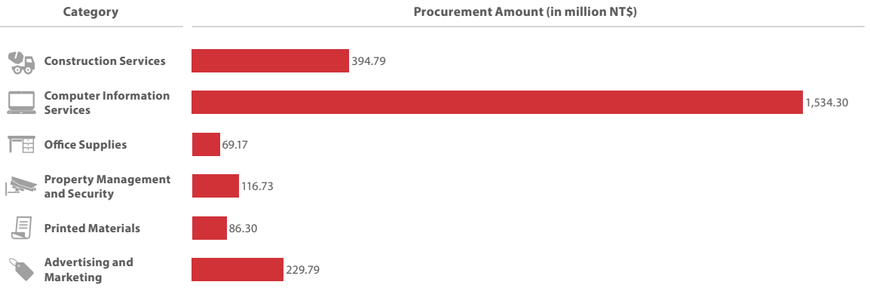
Business Premise	Water Conservation Measure	Description
Zhonglun Building	Replacing air conditioning hosts cooling system	Replace the old two 100RT air conditioning ice water hosts, ice water pumps and cooling water towers with one 40RT spiral chiller and one 150RT active magnetic bearing chiller. The temperature of the ice water outlet of the air conditioning host will be adjusted to effectively reduce water consumption.
Jianbei Building	Adjusting the outlet water temperature of the air conditioning hosts	Continuously adjust the ice water outlet temperature of the air conditioning host according to the temperature to reduce water consumption.

5.2 Sustainable Supply Chain

Among SinoPac Holdings' 445 domestic suppliers, approximately 134 key suppliers had business dealings over NT$2 million with SinoPac Holdings in 2023. Key suppliers were mainly divided into six categories: construction, computer information services, office supplies, property management and security, printed materials, and advertising and marketing.

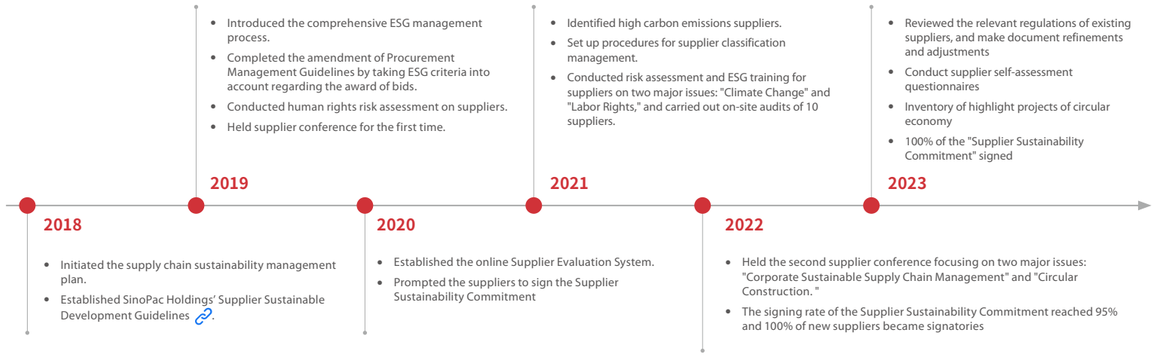
SinoPac Holdings' Key Domestic Supplier Category and Procurement Amount in 2023

Total
2,431.08
(in million NT$)



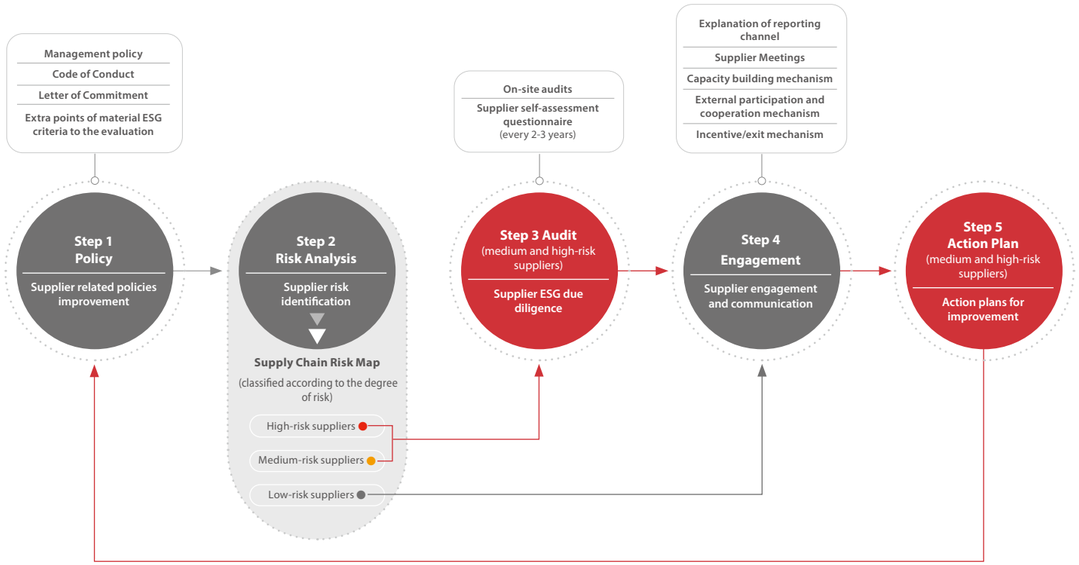
5.2.1 Sustainable Supply Chain Management

The Development of SinoPac Holdings' Sustainable Supply Chain Management



Based on previous achievements, SinoPac Holdings continued to enhance sustainable supply chain management in 2023. SinoPac Holdings not only achieved 100% of the "Supplier Sustainability Commitment" signed, but also improved its management system, reviewed and adjusted the relevant regulations of suppliers, and implemented the supplier self-assessment questionnaire.

SinoPac Holdings' Sustainable Supply Chain Management in Steps



5.2.1.1 Supplier Management-related Policies

To manage the potential ESG risks in the supply chain, SinoPac Holdings has stipulated the"Supplier Sustainable Development Guidelines ", and taken risk mitigation actions and measures, including revising the amendment of Procurement Management Guidelines by taking ESG criteria into account regarding the award of bids. In 2023, SinoPac Holdings reviewed its supplier management documents, added new provisions such as carbon reduction commitments, biodiversity, anti-harassment, bullying and violence issues, and compliance, and extended the existing management scope to include second-tier suppliers, encouraging second-tier suppliers to refer to the Supplier Sustainable Development Guidelines of SinoPac Holdings to establish environmental protection and human rights management measures.

In addition to a comprehensive management policy, SinoPac Holdings requires all suppliers to fulfill their social responsibility, including environmental protection, human rights, and business ethics in its "Supplier Sustainability Commitment". The percentage of the suppliers signing the "Supplier Sustainability Commitment" has reached 100 % in 2023, and the signing rate of the Commitment will continue to be maintained in the future.

5.2.1.2 Suppliers Risk Assessment and Due Diligence

SinoPac Holdings distributes the Supplier Self-Evaluation Questionnaire to high-risk and medium-risk suppliers every 2-3 years for risk assessment. The Company also conduct risk identification and onsite audits for key sustainability issues. In 2023, SinoPac Holdings conducted supplier due diligence again, inviting all first-tier suppliers and some second-tier suppliers to fill in the supplier self-assessment questionnaire to understand the management measures and performance of each supplier in the four aspects of labor human rights, occupational safety and health, environmental protection and business ethics. The management measures and performance of the four major aspects will be included as a reference for future supply chain management planning and improvement, and provide improvement suggestions for each category of suppliers that need to be strengthened. A total of 465 questionnaires were distributed, and 261 valid questionnaires were recovered, with a recovery rate of 56.1%. The results of the analysis showed that suppliers as a whole have the best performance in the labor and human rights category, with an average score rate of 84%, followed by business ethics (75%), while occupational safety and health (62%) and environmental protection (51%) score poorly. In this regard, SinoPac Holdings provided suggestions in the form of letters for projects with poor supplier scores, communicated with a total of 57 suppliers in 2023, and will continue to engage with suppliers in the future.

Supplier engagement focus and number of suppliers

Supplier Category	Computer Information Services	Construction Services	Office Supplies / Printed Materials	Property Management and Security	Advertising and Marketing	Total
Key aspect of engagement	Occupational safety and health	Labor rights Environmental protection	Environmental protection	Labor rights Environmental protection	Labor rights Occupational safety and health	
Number of engaged suppliers	12	20	8	10	7	57

Key communication contents for supplier engagement

Aspect	Communication contents
Labor Rights	• Strengthen the management document of the labor rights policy • Provide regular training related to employees' duties • Accurately record employee attendance and absence, establish a shift system, and clearly stipulate the calculation method and payment system for overtime pay or compensatory time • Expressly protect employees' rights to freedom of association and collective bargaining
Occupational Safety and Health	• Establish policies and management measures related to occupational safety and health • Regularly conduct occupational safety and health training • Strengthen the establishment of a reporting and review mechanism for labor accidents
Environmental Protection	• Integrate the concept of basic energy conservation and carbon reduction into business strategies • Begin to conduct waste statistics, follow the government's carbon reduction guidelines for small and medium-sized enterprises, carbon emission estimation tools, etc., and estimate the greenhouse gas emission data of enterprises • The provision of environmentally certified products is a short-term business goal • Strengthen environmental awareness such as climate change, net zero emissions, and biodiversity

Climate Change Risk

SinoPac Holdings will continue to strengthen suppliers' awareness of climate change issues. In 2023, SinoPac Holdings reviewed the supplier management documents, propose and adjust the sustainability development scoring items for the annual evaluation of suppliers, and plan to include climate change issues in suppliers' annual assessments and incorporate climate change issues into the "Procurement Management Guidelines" in 2024. Also, SinoPac Holdings requires suppliers to include climate issues in their "Supplier Sustainability Commitment" and encourages suppliers to propose carbon reduction targets, low-carbon products, etc., and regularly engages with suppliers on related issues. In the long term, SinoPac Holdings encourages suppliers to set carbon reduction targets and hopes that 20% of the suppliers in high carbon emission industries will respond in the future.

Labor Rights Risks

SinoPac Holdings has conducted regular human rights assessment since 2019 by reviewing its value chain. Please refer to 2.3.7 Human Rights Risk Identification and Management for details. According to the results of the assessment in 2023, the top three human rights risk of upstream suppliers are identified as "Health Rights", "Ensure Labor Conditions," and " Human Dignity."

Human Risk Issue	Definition of High-Risk Supplier	% of total assessed Suppliers where risk have been identified	Risk Mitigation Measures
Health rights	Suppliers whose employees need to work under work environment with a certain risk, which may cause their health to be harmed. The industries with health right risks includes but not limited to construction engineering, manufacturing, or cleaning services… etc.	29.2%	Suppliers are required to establish a complete safety work system, management mechanism and working environment, provide employees with occupational safety training, avoid occupational disasters, and maintain the health and safety of employees.
Ensure labor conditions	Suppliers who have histories of strikes, labor disputes, long working hours, or any other disputes related to labor conditions pose a higher degree of risks on ensuring labor conditions.	9%	Suppliers are required to pay attention to and comply with labor rights issues and norms, prohibit forced labor and child labor, respect employees' freedom of association, and establish a friendly workplace.
Human Dignity	Suppliers who have disputes or penalties that harm human dignity, such as workplace bullying and harassment, and whose business will face a large number of customers or citizens.	1.3%	Suppliers should create a healthy and friendly work environment that prohibits discrimination, harassment, bullying and violence.

5.2.1.3 Supplier Engagement and Communication

SinoPac Holdings held supplier training on climate change and global risk trend issues in 2023. A total of 31 supplier partners participated, including six categories of suppliers including construction services, computer information services, office supplies, property management and security, printed materials and advertising and marketing. By sharing the Sustainable Development Goals (SDGs), the process and driving force of enterprises' implementation of sustainable development, and introduced the ESG risks and opportunities that different industries may face, as well as Taiwan's current policy trends for sustainable development, to help suppliers understand SinoPac Holdings'supply chain management strategies and goals.

2023 Supply chain circular economy cooperation case

Shareholders meeting souvenirs

SinoPac Holdings gives priority to the procurement of products from social innovation organizations, and facilitates cooperation between industry and commerce and social innovation organizations. In 2023, 200,000 Kuan's Living plate gift boxes were purchased as souvenirs for the shareholders' meeting. It is a manufacturer registered in the database of social innovation organizations. It incorporates in-factory partially purified recycled glass into the glass material production process to practice the symbiosis of a sustainable economy and the environment.

Procurement of uniforms made of recycled fabrics

SinoPac Holdings and its supply chain worked together to promote the circular economy. In 2023, SinoPac Holdings purchased 8,002 summer shirts and 9,098 winter shirts, which are made of eco-friendly yarn and made of recycled materials and certified in accordance with the Global Recycled Standard (GRS) to ensure that the production process reduces or eliminates potential harm and impact on the environment.

75th Anniversary sports day giveaway

The uniforms of the sports day were made of PET bottle yarn, and the glass bottles and glass trophies used in the venue were made of recycled glass. Employees were given plastic-reduced and reusable eco-friendly food bags, environmentally friendly tableware sets, paracord drink bags and eco-friendly cup sleeves, etc. After the event, the main stage canvas was also made into canvas bags for waste reduction and recycling.

New Year's gifts

The desk calendar was printed with FSC environmentally friendly paper and soybean ink, and did not use rubber ring binding. The notebook used FSC-certified eco-friendly fruit paper, which used up to 15% of the processed organic residues (including citrus, grapes, cherries, corn, olives, coffee beans, hazelnuts, almonds, etc.) to replace the virgin pulp required for papermaking, and reuse the raw material residues. The packaging of the above gifts was also not made of OPP material to reduce the generation of waste.

SinoPac Holdings continues to engage with suppliers through various channels on the issues of ESG enhancement and training for green procurement, anticipating that SinoPac Holdings and suppliers will create solid partnerships for sustainability.

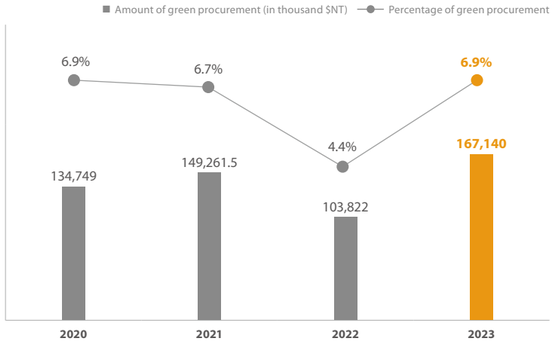
Performance of Internal Supplier Management Training of SinoPac Holdings in 2023

Topic	Participants (people)	Training Hours (hours)
Supply chain trend sharing	33	1.5
Planning and implementation of supplier self-assessment questionnaires	20	1
Interviews on highlights of circular economy projects	14	3
Supplier self-assessment questionnaire and circular economy highlight results briefing	12	2.5
Total	**79**	**8**

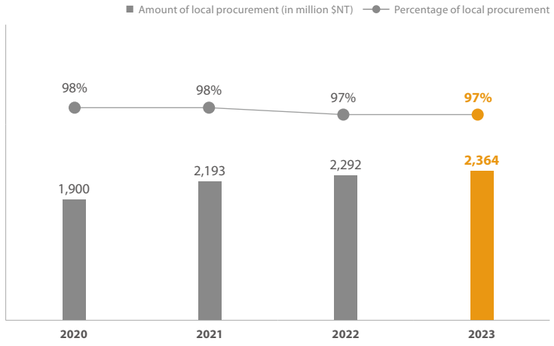
5.2.2 Local and Green Procurement Results

The total procurement amount of SinoPac Holdings and its subsidiaries in 2023 is NT$2.431 billion, of which the local procurement amount from domestic suppliers in accordance with relevant regulations in Taiwan is NT$2.364 billion, accounting for 97.2% of the total procurement amount. SinoPac Holdings prioritizes the purchase of products with environmental protection marks, energy conservation, and water conservation marks recognized by the government in our procurement. For other eco-friendly products, SinoPac Holding's green purchase amount reached NT$167 million in 2023, accounting for 6.9% of the total procurement amount. The main purchase included eco-friendly and energy-conserving equipment, green building materials, and products with carbon footprint certifications. Notably, the Company increased the utilization rate of green building materials for renovation to 99.07%, largely exceeding the short-term target (65%). Also, in 2023, SinoPac Holdings was awarded the "Corporate Green Procurement Excellence Award" by the Ministry of Environment. The Company also pays great interest in social innovation and won the first place in the "Buying Power- Social Innovation Product and Service Procurement" by the Ministry of Economic Affairs in 2023.

SinoPac Holdings' Achievements in Green Procurement



SinoPac Holdings' Achievements in Local Procurement



Note: Data coverage includes the Taiwan operating activities of SinoPac Holdings and its five major subsidiaries.

Fulfillment of Inclusive Growth

6.1 Social Involvement Strategies and Investments
6.2 Promoting Cultural Equality and Reducing Inequality
6.3 Prompting Knowledge Equality and Increase Financial Literacy
6.4 Raise Climate Awareness to Mitigate and Adapt to Climate Change
6.5 Promoting Social Sustainability and Fostering Common Good
6.6 Supporting Sports Development to Create a Sport Ecosystem

Corresponding GRI Material Topic - Critical Topics

GRI 201: Economic Performance

Long-term Sponsorship Award

"Taipei Children's Arts Festival" received the "Long-term Sponsorship Award" in the Arts & Business Awards.

Aging-Friendly Leadership Award

Create an age-friendly financial environment and actively promote elderly care activities, and received the TCSA - "Aging-Friendly Leadership Award"

SinoPac Donation Platform

Received the first prize of the Best Product Award in the 2023 National Brand Yushan Awards

Sustainable Cultural Development Award

The "Song of Life Co-creation" received the "Sustainable Cultural Development Award" in the Arts & Business Awards

Sports Activists Awards

Long Term Sponsorship Award from the Sports Administration of the Ministry of Education

6 Fulfillment of Inclusive Growth

Sustainability Commitment	Corresponding SDG	Action Plans	2028 Goals
Reduce Inequality	4 QUALITY EDUCATION	Promoting Knowledge Equality	• Matchmake corporate resources and cooperate with 15 townships/communities/schools to promote suitable financial literacy education with more than 10,000 children, youths, and financially disadvantaged groups.
		Promoting Cultural Equality	• Support children's art and aesthetic education, youth cultural creation, and rebirth of diverse elderly cultures. Organize at least 5 local arts and cultural activities each year with more than 8,000 participants from remote rural areas / disadvantaged groups.
Mitigate and Adapt to Climate Change	13 CLIMATE ACTION	Raising Climate Awareness (the public)	• Transform the concepts of "SinoPac Life" and "Sustainable Ocean" into real actions in addition to raising awareness, affecting more than 320,000 stakeholders and the public.
Promote Inclusive Growth	8 DECENT WORK AND ECONOMIC GROWTH	Supporting Charity Organizations / Social Enterprises and Fostering Common Good	• Provide marketing resources for at least 230 charity organizations and social enterprises and increase the reach and exposure of the campaigns to over 72 million views. • Provide funding and assistance in the form of professional resources to at least 60 social enterprises. • Use core competencies of the financial industry and business activities to support charity organizations/social enterprises and use procurement and purchases to support their products or services.

Summary of Six Capitals Performance in 2023

IN PUT

Financial Capital

- SinoPac invested NT$751,603 thousand in philanthropic activities.
- The total volunteering cost was NT$3.449 million.
- The overhead cost of philanthropic activities was NT$5.471 million.

Human Capital

- SinoPac Volunteer participants registered 946 traffics in philanthropic activities for a total of 7,304 hours. Paid volunteers accounted for 862 traffics who took part in 3,752 hours of philanthropic activities.

OUT PUT

Natural Capital

- Cleaned up 518.8 kilograms of marine debris in coastal cleanup activities.
- Mangrove forest thinning area of 65.93 square meters.

Social and Relationship Capital

- SinoPac Volunteer participants registered 17,374,941 traffics in philanthropic activities.
- Philanthropic activities benefited 34 organizations.

Summary of the Results in the 2023 Sustainable Development Plan

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note 1)
Linking social involvement activities to core business	• Promote Knowledge Equality ⇨ Reach 5,000 beneficiaries in rural areas, disadvantaged groups, and number of participants and provide support to 7 communities. ⇨ mma Children Account +10%.	Completed	• Matchmake corporate resources to increase the financial literacy of children, youths, and financially disadvantaged groups. ⇨ Cooperate with 8 townships/communities/schools to promote suitable financial literacy education with more than 6,000 children, youths, and financially disadvantaged groups. ⇨ Set up after-course evaluations and tests for financial literacy.
	• SinoPac Donation Platform ⇨ Number of supported institutions +10% with NT$1 million in the value of SinoPac's own media coverage. ⇨ Number of donors on the platform +10% and credit card donation usage rate +5%. ⇨ Save NT$12 million in costs with digital procedures and paperless operations.	Partially completed (Note 2)	
	• Raise Public Climate Awareness ⇨ Reach 100,000 people in activities and support 1 additional environmental protection awareness initiative /organization.	Completed	

Strategy	2023 Objectives and Implementation Results	Implementation Status in 2023	2024 Objectives (Note 1)
Increased stakeholder engagement	• Hold one large-scale social involvement event every quarter.	Completed	• Focus on the promotion and advocacy of climate and ecosystem activities to increase the number of stakeholders engagement and reach to 200,000 traffics ⇨ Employee participation with 10,000 traffics. ⇨ Customer participation with 40,000 traffics. ⇨ Reach to society and public with 150,000 traffics.
Establish evaluation mechanisms for the benefits of social involvement projects	• Conduct main stakeholder interviews or questionnaire surveys for participants of major social involvement projects. • Establish evaluation mechanisms for the benefits of social involvement projects.	Completed	• Implement evaluation mechanisms for the benefits of social involvement projects and improve the social involvement activities to meet the expectations of stakeholders. ⇨ Complete the evaluation of the benefits of at least three continuous social involvement projects. ⇨ Support the evaluation of the benefits of social involvement projects organized for the first time.

Note 1 : Please refer to "Sustainable Development Goals and Vision" on the official website of SinoPac Holdings for the latest sustainability work plans and target setting

Note 2 : As certain supported institutions did not apply for credit card service mechanisms, the credit card donation usage rate increased by 2.74% in 2023 and all other targets were achieved.

6.1 Social Involvement Strategies and Investments

6.1.1 Social Involvement Strategies and Goals

Upholding the spirit of " benefiting from society and giving back to society", SinoPac Holdings established the "Social Involvement Task Force" under the Sustainable Development Committee. It organizes the philanthropic activities of the Group and subsidiaries and uses the core financial competencies of the Group to give back to society. Activities planned were aligned with the United Nations Sustainable Development Goals (SDGs) and focused on three action plans including Promoting Knowledge / Cultural Equality, Raising Public Climate Awareness, and Supporting Charity Organizations / Social Enterprises and Fostering Common Good. The three action plans support SinoPac Holdings' three sustainability commitments.

Social involvement strategy implementation results in 2023

Social Involvement Strategies and Goals	Performance of Business Benefit KPI	Performance of Social / Environmental Benefit KPI
Promoting Knowledge Equality (including Promoting Cultural Equality)	1. The total number of Bank SinoPac "mma Children Accounts" increased by 21.31%. 2. The growth rate of Bank SinoPac's customers above the age of 65 was 9.15%. 3. The growth rate of Bank SinoPac's average assets under management (AUM) of customers above the age of 65 was 5.96%.	1. Bank SinoPac has sponsored "Taipei Children's Arts Festival" for 16 consecutive years. • The art education programs registered approximately 400 traffics. • Approximately 400 participants attended the promotion of financial knowledge by SinoPac Volunteers. 2. Activities for the rebirth of diverse elderly cultures: • Organized "Songs for You" for the sixth consecutive year: 4 performances of "Songs for You" were held, with approximately 4,750 public participants. • Organized " Song of Life Co-creation" activity for the fifth consecutive year: Completed 3 songs of life including "Guishan Island residents' homes", "Life goes up and down like the sea", and "Come Here to Live" in 2023. • SinoPac Volunteers organized Anti-Deception games or put on plays for 2,134 participants.
Raising Public Climate Awareness	1. 125 branches of Bank SinoPac introduced digital and paperless processes such as eNote electronic forms, Account Opening on Cloud, electronic receipts, and online queue numbers and reduced costs by approximately NT$30.28 million. The system saves approximately 20 minutes of operating time each day and increases the effectiveness and efficiency of operations. 2. Communicated climate issues on "SinoPac Life" with customers through SinoPac's ATM and reached 11,055,111 views.	1. "SinoPac Life" philanthropic activities • Number of sessions: Held 62 internal and external environmental protection philanthropic activities. • Number of participants: 379,443 participants. 2. Customers used the electronic statement service to reduce paper consumption by approximately 47.98 million sheets of paper.
Supporting Charity Organizations / Social Enterprises and Fostering Common Good	1. 84.15% of donation on the "SinoPac Donation Platform" was paid by credit card. The growth rate of the number of SinoPac credit card accounts was -2.74%. 2. The number of donations made by customers using "SinoPac Donation Platform" increased by 16.33%, and the processing fee income increased by 13.97%.	1. By the end of 2023, the "SinoPac Donation Platform" has attracted 70 charity organizations, and the accumulated fundraising amount exceeds NT$39.07 million. 2. Organized through the "SinoPac Donation Platform" and SinoPac's credit card bonus point exchange and donation platform to assist a total of 85 charity organizations: 70 organizations on the "SinoPac Donation Platform" and 15 organizations on SinoPac's credit card bonus point exchange and donation platform. 3. Number of Bank SinoPac credit card customers who converted bonus points to donations: 2,299.

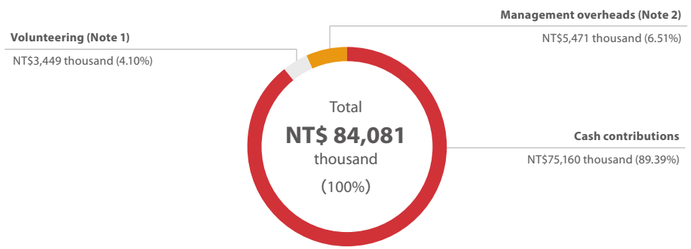
6.1.2 Social Involvement Investment Overview

SinoPac Holdings Volunteer System and Goals

SinoPac Holdings established a volunteer system in 2018 and volunteering activities were organized from time to time. Starting from 2022, SinoPac Holdings has provided SinoPac Volunteers with up to 3 days of charity leave each year and provides official leave, transportation fares, and housing allowance depending on the type of service. The number of employees who joined the Volunteer Team reached 1,348 people by the end of 2023.

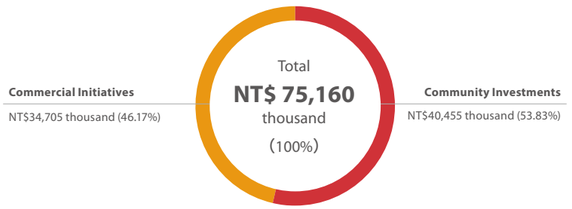
SinoPac Holdings continues to invest in philanthropic activities and contributes to society through different forms of involvement such as providing sponsorships, co-organizing activities, and corporate volunteer participation. In 2023, the total expenditure on philanthropic activities reached NT$75.16 million, and the total time volunteers devoted to philanthropic activities reached 7,304 hours. Paid volunteers accounted for a total of 3,752 hours and unpaid volunteers accounted for a total of 3,552 hours.

Philanthropic Contributions in 2023



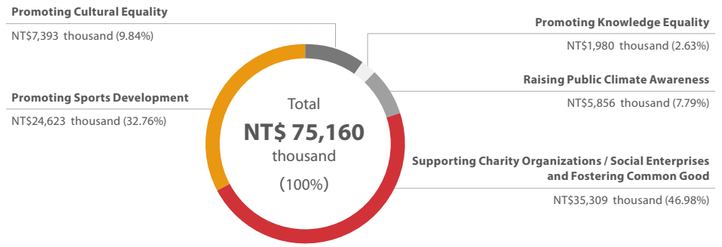
Note 1 : The calculation is based on the average salary of full-time non-management employees and hours devoted to volunteering during the paid workdays.
Note 2 : Management overheads are based on the average salary of full-time non-management employees and hours devoted.

Percentage of Contribution to Philanthropic Activities by Category in 2023 (Note 1)



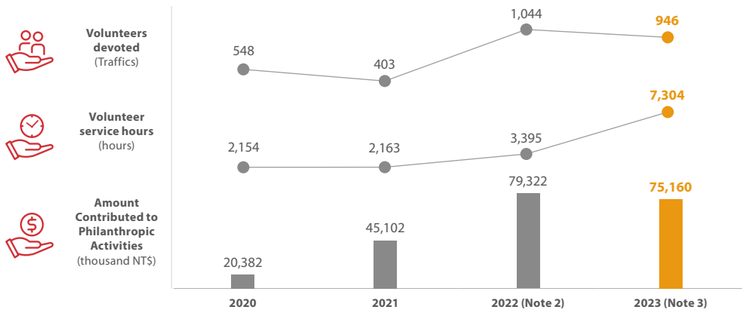
Note 1 : No Charitable Donations in 2023.

Percentage of Contributions to Each Theme of Philanthropic Activity in 2023



Theme of Philanthropic Activity	Volunteering time devoted (hours)	
	Paid	Unpaid
Promoting Cultural Equality	695	0
Promoting Knowledge Equality	435	0
Raising Public Climate Awareness	2,622	480
Supporting Charity Organizations / Social Enterprises and Fostering Common Good	0	3,072
Promoting Sports Development	0	0
Total	3,752	3,552

Total Contribution in Philanthropic Activities in 2020-2023 (Note 1)



Note 1 : The data of volunteering time devoted and volunteers devoted include both weekdays and weekends.
Note 2 : In 2022, due to the official operations of SinoPac Foundation, increase in philanthropic activities, volunteering leave, and other factors, the amount of contribution, volunteering time devoted, and volunteers have increased significantly compared to the previous year. In 2022, paid volunteering on workdays and given volunteering leave accounted for 1,039 employees with a total of 3,379 hours. Unpaid volunteering was volunteering beyond volunteering leave, which accounted for 5 employees with a total of 16 hours.
Note 3 : Due to the start of substantial operations of SinoPac Foundation in 2023, 4 unpaid volunteers devoted 3,072 hours to support the operations of SinoPac Foundation.

6.2 Promoting Cultural Equality and Reducing Inequality

To promote cultural equality, SinoPac Holdings is committed to reducing any form of inequality inside and outside the organization and putting efforts to protect people's right to learn and enjoy art, regardless of gender, wealth, or race, to achieve social equality and justice. The Company will continue to use core business operations and the professional resources of SinoPac Volunteers to support children's art and cultural education activities. SinoPac Holdings will work with education and social enterprises to promote long-term intensive cultivation programs. To attain the goal of " Together, a better life", SinoPac Holdings expanded the collaboration with townships, communities, and schools in 2023 to enhance the financial literacy education for children, youths, and financially disadvantaged groups and jointly create a better environment for culture and art. The Company also encourages people to respect the elderly and intensify community building.

Non-Financially Supported Projects in 2023

Project	Group	Non-financially Supported Categories	Description	Social Impact KPI
Financial education	Students	Financial or digital literacy training	SinoPac Holdings provided basic education for wealth management and financial payment tools for student groups and organized employment assistance in the financial industry and company visits to enhance students' financial literacy, and their understanding and choices of careers in the financial industry.	Hosted 13 events A total of 1,597 participants
Anti-deception in rural areas	Individuals in rural or hard-to-reach areas	Financial or digital literacy training	SinoPac Holdings organized anti-deception advocacy campaigns, games, and plays for people in rural or hard-to-reach areas to communicate the importance of personal data security and ensure the security of people's assets.	Hosted 14 events A total of 2,643 participants
SinoPac Donation Platform	Charity organizations (groups from which services are more difficult to obtain)	Technical assistance	SinoPac Donation Platform provides a convenient back-end operations for small and medium charity organizations (e.g., Taiwan Foundation for the Blind, Puren Youth Care Foundation, and Down Syndrome Caring Association) to use without costs. It reduces labor costs by 15%, increases fundraising effectiveness, and generates more donor support through exposure through SinoPac.	Number of institutions supported increased by 23
Business Insight	Microbusinesses	Business management tools	Microbusinesses are domestic companies or sole proprietorships with an annual revenue of less than NT$150 million and have been in continuous operations for at least one year. Bank SinoPac discovered that microbusinesses had operational difficulties and held seminars on industry trends, business management and digital economy for them, using non-financial tools to improve management efficiency to help micro businesses achieve business success in the competitive market.	Hosted 2 events A total of 180 participants
Migrant Worker Consultation	Migrant workers	Financial or digital literacy training	Bank SinoPac observed the inconvenience faced by migrant workers trying to access financial services in Taiwan. With the aim to increase their financial accessibility, Bank SinoPac organizes seminars on products designed for migrant workers and case studies of financial exploitation in designated migrant worker dormitories and industrial areas. With face-to-face consultation and promotion, Bank SinoPac minimizes the risks of migrant workers being trapped by underground loan schemes due to information asymmetry and increases the financial literacy of migrant workers. Refer to Section 3.2.2.4 Migrant Workers.	A total of 837 participants
Upturn Bank	Individuals in rural or hard-to-reach areas and young people	Technical assistance	Bank SinoPac joined the "Upturn Bank - Financial Literacy Education Program" and provided the Upturn Bank system, passbook printer, banknote counters, and related equipment to 3 schools in remote rural areas including Laomei Elementary School and Guashan Elementary School in New Taipei City and Yisheng Elementary School in Taoyuan as well as the Chung Yi Social Welfare Foundation (placement institution for middles school students). In rural areas, financial education resources are insufficient and financial services are not easily accessible. It introduced a model of how society functions based on "virtual reality" in the classroom settings in school with accompanying teachers and tolerant guidance for mistakes, so that children can learn how to make real choices, understand their responsibilities, and enhance their understanding of money before adulthood. Refer to Section 6.3 Prompting Knowledge Equality and Increase Financial Literacy.	3 remote rural schools 1 social welfare institution A total of 136 participants

6.2.1 Promoting Performing Arts and Sociocultural Power

Bank SinoPac has sponsored the "Taipei Children's Arts Festival" for the 16th year since 2008 to encourage equal participation in art and cultural activities and eliminate the cultural gap. In 2023, Bank SinoPac sponsored "L'oiseau Bleu" art and education activities and invited approximately 400 schoolchildren and youths from 19 children and youths' welfare institutions to see theater performances at the Taipei Performing Arts Center to promote equal access to culture for different groups and increase the arts and cultural population.

"L'oiseau Bleu" art education event where the performing team and the audience took a joyful group photo / Courtesy of Taipei Performing Arts Center.

SinoPac Securities organized the "Printmaking Art: Spreading Love and Family Support" event in 2023 to intensify community engagement and care. SinoPac volunteers joined nearly 100 people from Taiwan Fund for Children and Families Yunlin and accompanied the families in printmaking and blackboard painting activities. The event connected children with diversified art cultures and inspired their creative confidence through exploratory experiences. Volunteers accompanied the families to relieve the pressure of parental care and supported the care program for disadvantaged children in remote rural areas with real actions.

Printmaking and blackboard painting activities with Taiwan Fund for Children and Families.

In addition to caring for children, SinoPac Holdings also pays close attention to the diversity of the youth generation. The Company organized the "500 Young Award" with 500times.udn.com to identify iconic key figures in the lifestyles of the youth generation in 10 specific sectors and encourage the youth generation to unleash their passion and energy. The Award also organized youth seminars and forums for senior executives of SinoPac Holdings to engage winners of the Young Award face to face, discuss the wealth management views of the young generation, encourage young people to make good use of financial resources, and make their life goals come true.

SinoPac Holdings President Stanley CHU presented the SinoPac Special Award at the "500 Young Award".

Vice President Huang Pin-Jui of Bank SinoPac discussed with youths in the 500 Young Youth Forum.

6.2.2Rebirth of Diverse Local Cultures with Continuous Support in Taiwan

SinoPac Holdings understands that the aging society is a significant issue in Taiwan. Since 2018, SinoPac Holdings has held outdoor charity concerts, "Songs for You," with Hsieh Ming-Yu, Pun Car Band, and Southern Winds studio, who share the same philosophies. The concerts were dedicated to the elderly, singing songs that soothed their hearts, and expressing gratitude and care for their lifelong dedication to Taiwan. They reduced anxiety and loneliness with music and promoted physical and mental health through singing, which support the action objective of "Promote Cultural Equality" in "Reduce Inequality", one of SinoPac Holdings' three major sustainability commitments. In the past six years, "Songs for You" has been organized 33 times in 28 communities across Taiwan. During the epidemic, SinoPac utilized online live streaming to broadcast songs that inspired nostalgia, which received wide acclaim from the elderly and netizens, and accumulated more than 100,000 views.

Bank SinoPac has exclusively sponsored "Song of Life Co-creation" since 2019. The Golden Melody Award winner, Hsieh Ming-Yu, along with professional teachers of community theater and the elderly jointly participated in musical creation. A total of 11 "Songs of Life" have been created as of the end of 2023, and they have been distributed in the album "Old Days," which was released on music streaming platforms in 2021 as the first music creation to record the development of Taiwan's community with popular music. In 2023, the artists visited remote areas such as Toucheng Township in Yilan County, Xiyu Township in Penghu County, and Baolai in Kaohsiung City and completed 3 Songs of Life Co-creation including "Guishan Island residents' homes", "Life goes up and down like the sea", and "Come Here to Live". The songs chronicled the life experiences of the elderly and the trajectory of local cultural development, demonstrating the strength and resilience of the elderly and passing on culture to the next generation.

The "Song of Life Co-creation" received the "Sustainable Cultural Development Award" in the Arts & Business Awards.

In view of the changes in the population structure and urban and rural development in Taiwan, Bank SinoPac has supported the "Home from Above" project since 2019 to make use of its core competencies, values, and business resources to help children explore and document stories in their hometowns and create a bond between the children and the land, thereby creating a spark of hope for passing on the unique traits of the land and encouraging children living in remote rural areas to support their communities and have broader access to career choices. In 2023, one child entered the Arete Honors Program of National Yang Ming Chiao Tung University for performance in producing documentaries. In 2023, the "Home from Above" Project, with the participation of 7 schools and 6 returning teams, trained 63 young directors, released 13 documentaries, and organized 1 presentation of results and 2 homecoming exhibitions. They used video documentation as a medium to teach children the powers of their hometowns, storytelling, images, and editing, and to build up children's capacity for social participation, independent action, communication, and interaction. They also reduced the gap between urban and rural education and respected cultural diversity. As of 2023, the Project has trained more than 150 children and produced 29 documentaries with the participation of 4,086 teachers in the LearnMode education platform and more than 60 youth volunteers. The Project used technology to support teachers and students with insufficient resources and provided them with an equal opportunity to learn photography and document their hometowns.

SinoPac Securities has always supported local culture and local businesses. It has invested in local revitalization actions since 2022 and has supported the "Food Chill" cultural event in Yunlin for the second consecutive year. The event injected vitality into local industries with the young and middle-aged generation and incorporated individual exhibitions of local artists, Songs for You, agriculture and art markets, and handicraft experiences to let visitors see a different version of Yunlin. More than 4,000 people participated in the event in 2023. In 2023, SinoPac and the General Association of Chinese Culture organized the "Roar Now Bangkah" event, which incorporated the birthday celebrations of the god King Qingshan and local businesses in Wanhua to organize music festivals, local markets, and urban walk events for the younger generation to experience the charms of religious festivities in Taiwan.

Home from Above online education videos uploaded to the LearnMode Education Platform.

Home from Above activity in 2023

SinoPac Holdings continues to support culture and art through diverse means and encourages equal participation of all groups in culture and art activities. In 2023, SinoPac participated in the "Taipei Children's Arts Festival" organized by the Taipei Performing Arts Center, "Roar Now Bangkah" organized by the General Association of Chinese Culture, performances of "Songs of Life Co-creation" and "Songs for You", and support for the "Food Chill" cultural festival for youths in Yunlin. The Company also taught children how to film documentaries for their hometowns and organized homecoming film festivals. SinoPac organized more than 20 events and invested more than NT$5.8 million to provide people from all social groups with opportunities for taking part in culture and art.

6.3 Prompting Knowledge Equality and Increase Financial Literacy

SinoPac Holdings encourages people to respect the elderly and continues to leverage core businesses and use the professional resources of SinoPac Holdings to provide more convenient financial services to people in rural or hard-to-reach areas and those with difficulties in obtaining such services (e.g., inter-bank ATM withdrawal services in collaboration with Chunghwa Post). SinoPac established the Anti-Deception Volunteer Group in 2022 and created diverse activities including Anti-Deception advocacy campaigns, games, and plays. In 2023, SinoPac taught 2,643 elderly people in remote rural areas and the public how to protect themselves from fraud to jointly protect the properties of the elderly and the public.

Bank SinoPac understands the importance of financial literacy and launched the "mma Children Account" in 2014, a specially designed wealth management account for children under 18 for parents to manage the account together with their children. In addition, the online version of the SinoPac Wealth Management Course was launched to help teachers and students acquire financial knowledge with the aim of integrating art performances and financial management into the daily life of teachers and students. Students are encouraged to develop a sense of aesthetics and wealth management literacy from an early age with the right concept and appropriate financial tools so that they can accumulate wealth and create a bright future. In 2023, Bank SinoPac joined the "Upturn Bank - Financial Literacy Education Program" and sponsored the upgrade of the systems in Laomei Elementary School and Guashan Elementary School in New Taipei City and Yisheng Elementary School in Taoyuan as well as the Chung Yi Social Welfare Foundation (placement institution for middles school students) to Upturn Bank 2.0 and sponsored the Upturn Bank 1.0 system and related equipment for the Hong-Yeh after-school class in Yanping Township of Taitung County. In rural areas, financial education resources are insufficient, financial services are not easily accessible, the transportation time from the city center exceeds 1.5 hours, and population migration is serious. It introduced a model of how society functions based on "Virtual Reality" in the classroom settings in school with accompanying teachers and tolerant guidance for mistakes, so that children can learn how to make real choices, understand their responsibilities, and enhance their understanding of money before adulthood.

SinoPac Holdings and National Chengchi University cooperated in the opening of credit courses based on the concept of "joint training by the industry and academia and actual operations in internships" to cultivate professional talents for the financial industry. They help students explore their future career paths and co-organize "Campus Business Contests", which showcase students' creativity and vitality with participation in business contests and stimulate the potential of innovative thinking of the next generation. Bank SinoPac has collaborated with National Chung Hsing University for the 9th consecutive year in the "NCHU Business Mentor Program" to jointly create a career support platform for promoting connections between the industry and academia and helping students prepare themselves for their careers. Bank SinoPac also participated in industry-academia cooperation activities with several academic institutions including the "Sustainable Industry-Academia Talent Cultivation" of National Taiwan University, "NCCU Talent Cultivation Program" of National Chengchi University, "Professional Career Mentor Program" of National Cheng Kung University, and "Business Leadership Program" and micro credit courses of National Tsing Hua University to help students recognize and learn about the developments of the financial industry. Bank SinoPac continued assign outstanding instructors certified by the Financial Supervisory Commission to participate in the "School and Community Financial Literacy Campaign" to support inclusive finance with financial literacy education.

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SinoPac Holdings, Bank SinoPac, and SinoPac Securities jointly participated in the "Financial Service Charity Carnival" organized by Taiwan Financial Services Roundtable. The Carnival communicated the correct financial knowledge through gamification to promote inclusive finance and deception prevention. It helped more people enhance their financial literacy, which prevents fraud and improves wealth management.

SinoPac Volunteers communicated the importance of deception prevention in remote rural areas to protect the properties of the elderly and the general public.

Upturn Bank - Laomei Integrity Bank and Integrity Coupons organized by Laomei Elementary School in New Taipei City.

SinoPac Holdings and National Chengchi University jointly organized a "Campus Business Contest".

Introduction to the financial industry and preparation for employment to enhance students' competitiveness in the workplace.

"Deception Prevention Q&A" makes financial knowledge approachable and increases people's awareness.

6.4 Raise Climate Awareness to Mitigate and Adapt to Climate Change

SinoPac Holdings actively shapes the environmental protection culture of "SinoPac Life" by launching the "SinoPac Life" online platform in 2019. Through various channels such as education promotion, advocacy activities, and business services to encourage employees, customers, and the general public to practice green actions in their lives, SinoPac Holdings designated the 17th of each month as "SinoPac Environmental Day" and encouraged employees to start taking small steps daily for a sustainable planet, showing the determination of loving the earth with real actions from the inside out.

6.4.1 SinoPac Life - A Million Acts of Green

SinoPac Holdings has responded to the "Earth Day - A Million Acts of Green" campaign initiated by Taiwan Environmental Information Association for five consecutive years. In 2023, SinoPac Holdings continued to adopt the "SinoPac Life - A Million Acts of Green" initiative and updated the environmental protection theme on the 17th day of each month. It uses easy-to-understand methods to advocate the notion of "Invest Our Earth". SinoPac Holdings supported Earth Hour for the 4th consecutive year. The Company expanded from company buildings to 172 business premises of Bank SinoPac and SinoPac Securities and switched off the sign lights ahead of schedule at 8:30 for 7 consecutive days. More than one thousand employees and their families voluntarily took part in the event and they used social media platforms to call on the general public to reduce carbon emissions and protect the Earth together. SinoPac Holdings also organized the "SinoPac Love Cycle" in line with the SinoPac Life monthly theme. The Company invited all SinoPac employees to take part in the charity action for environmental protection and carbon reduction with the collection of 4,160 idle but useful items to the Give Circle (GC) Platform to matchmake and donate the items to charity organizations, schools, and disadvantaged families. The matchmaking rate was 93% and the number of beneficiaries totaled 83,200 traffics in 28 charity organizations and schools. The Company spread its influence across 12 counties and cities in Taiwan.

SinoPac employees supported the "SinoPac Love Cycle" event and donated idle but useful items from their homes.

The themes of the SinoPac Life - A Million Acts of Green activities in 2023

January	February	March	April	May	June
Starting the year with sustainability. Consecutive years of good luck	Spring in the prospering wetlands	Every choice determines our common future	Sustainable ocean development and tribute to the Earth	Care for nature together	Friendly ocean and prosperous Earth
July	**August**	**September**	**October**	**November**	**December**
Sustainable ocean development with prosperity every year	Enjoy seafood and with sustainable ocean development	Reduce plastics and save the oceans	Reduce water conservation and keep the Earth clean	Green consumption and eco-friendly renting	Sustainable Christmas with new life for old things

SinoPac Holdings leveraged various channels such as Automated Teller Machine (ATM), account statement, passbook entry machine, and ticketing machine to communicate climate awareness of "SinoPac Life" with customers and the public, reaching customers in more than 11,055,111 traffics and calling on the public to participate in environmentally friendly actions together in our daily lives.

"SinoPac Life" climate awareness communication

6.4.2 Working Together for a Sustainable Planet

To enhance public awareness of climate change, SinoPac Holdings has, for the second consecutive year, sponsored the documentary "Enigma: The Chinese Crested Tern" and "Caring for Black-Faced Spoonbill' filmed by the director Chieh-Te Liang for the "Flying Across the Sea" ecological documentaries over a period of 20 years. They call for attention to the habitats and food crises of migratory birds, sustainable development of the oceans, and protection of biodiversity. SinoPac Holdings organized 7 screenings in Northern, Central, Southern, and Eastern Taiwan, which received wide acclaim from numerous customers who share the Company's concern with climate change and marine ecosystem sustainability issues. Bank SinoPac also supported the ecological documentary "Good Morni MIT" by the director Jue-Ming Mai. The mysterious and cute animal "Cryptobranchoidea" takes customers on a journey across Taiwan. Learning about Cryptobranchoidea can help people learn more about ecological conservation issues.

SinoPac Holdings has supported the "Project Blue 1095" campaign organized by Business Today for the third consecutive year. In 2023, 150 SinoPac Volunteers and their family members joined the beach clearing activity on Wanggong Beach in Changhua to remove marine waste. SinoPac Holdings also worked with Wild at Heart Legal Defense Association Taiwan and Taiwan Ocean Conservation and Fisheries Sustainability Foundation in mangrove forest thinning and seafood education to take real actions for protecting the marine ecosystem and restoring a livable habitat for animals in the intertidal zone. They removed a total of 518.8kg of marine waste and completed mangrove forest thinning in an area of 65.93 square meters. In 2023, Bank SinoPac invited customers to clear the beach at Fulon on the North Coast to restore cleanliness for the ocean and visitors. The Bank also assembled SinoPac Volunteers to participate in the Taipei frog restoration action in Shimen, New Taipei City. The activity was an intensive exploration of environmental sustainability and biodiversity issues for combining sustainability knowledge with actions. In 2023, SinoPac Holdings supported the construction of the Underwater Radio Station in the "Ocean Oasis: East Coast Cetacean Conservation Project" organized by the Kuroshio Ocean Education Foundation. It collects vast ecological data with high-tech monitoring of wildlife acoustic fingerprints to study the activities of the cetaceans at night and learn about the impact of human interference on the cetaceans and the local ecosystem in tourism and fishery activities, thereby facilitating the planning of future strategies for the conservation of cetaceans.

Bank SinoPac supported the "Act Now" campaign of Business Today for the second consecutive year and supported the Act Now "Top Ten Personal Climate Change Actions" of the United Nations. They organized a two-day event at the Huashan 1914 Creative Park in 2023, which attracted a total of 10,400 traffics. Bank SinoPac set up its booth based on the theme of "Net Nero Green Power for the Future" with solar PV equipment financing, green mortgages plans, preferential discounts for electric vehicle owners, and SinoPac SPORT Card to communicate the results of net zero initiatives. Bank SinoPac also organized the "sustainable seafood" Q&A to engage visitors and encourage them to join SinoPac in creating a green financial ecosystem. Bank SinoPac also sponsored the "2222 Future" Asia Sustainability Exhibition, which combined science fiction and imagination to create an immersive exhibition experience from the perspective of future humans. The three episodes on the visual impact of the mechanical world, choosing how to coexist with the ocean, and returning to green life aim to raise public climate awareness and create a better future together through the imagined storyline and our choices in life.

Group photo of the Director Chieh-Te Liang (third from right), SinoPac Holdings Chairman Shi-kuan CHEN (center), and other executives after the screening.

SinoPac Volunteers visited Wanggong Beach for mangrove forest thinning.

SinoPac Volunteers participated in the Taipei frog restoration action.

"2222 Future" Asia Sustainability Exhibition.

SinoPac executives attended the "Act Now" event and signed the Act Now pledge.

6.5 Promoting Social Sustainability and Fostering Common Good

SinoPac Holdings supports Charity Organizations / Social Enterprises and Foster Common Good through purchasing products they made and replace charity with empowerment. SinoPac Holdings continued to cooperate and plan philanthropic activities with non-profit organizations (NPOs) to create job opportunities for disadvantaged groups and enhance their citizenship rights as members of the society. In addition, Bank SinoPac and SinoPac Securities' Board of Directors donated NT$ 30 million to establish the "SinoPac Foundation" in 2021. With the core thinking of ESG, SinoPac Foundation supported the United Nations Sustainable Development Goals (SDGs), "Taiwan's Sustainable Development Goals", and the "Social Innovation Action Plan of the Executive Yuan", focusing on "land and people", upholding the principle of ecological friendliness and sustainable development, connecting goodwill and professional resources, and fostering the seeds of social welfare innovation. Bank SinoPac also organizes seminars on industry trends and the digital economy for micro businesses to empower local talent development and economies.

6.5.1 Deliver Social Warmth and Care with Core Competencies in Finance

SinoPac Holdings used its core competencies in finance to create the "SinoPac Donation Platform" for the financial transactions of social welfare organizations and charity organizations. It provides 24-hour online services to facilitate donations without time and spatial constraints. Donors can also provide support with individual donations or regular donation plans. In 2023, Bank SinoPac continued to enhance the front and back-end functions, which reduced the labor costs of charity organizations by approximately 15%. It introduced the Taiwan QR Code (TWQR) system to streamline the donation process, reduce errors, and increase the convenience of making donations. It also set up a charity section on the official website for charity organizations to reach more people. It has actively engaged partners and has worked with 70 charity organizations as of the end of 2023 with cumulative charity donations totaling nearly NT$40 million. It also received the first prize of the Best Product Award in the 2023 National Brand Yushan Awards.

Bank SinoPac actively initiated fundraising campaigns to take real actions for supporting philanthropic activities. In February 2023, it organized bank employees to support the New Hope Foundation's "Turkey and Syria Earthquake Relief" fundraising campaign. It raised nearly NT$500,000 to help people in disaster-struck areas rebuild their homes. Bank SinoPac also worked with organizations such as Modern Women's Foundation and Mary's Doggies in joint fundraising campaigns to support the actions of charity organizations. SinoPac Donation Platform is not merely a platform for donations but also a platform for consolidating love and care. With a few simple taps, people can help others in need and provide warmth and care from the society.

6.5.2 SinoPac Store Power Up – Empowering Local Communities

Many small stores in the corners of Taiwan have dedicated themselves to creating unforgettable stories for the local community and connecting people in the community. SinoPac Foundation launched the "SinoPac Store Power Up Project" in 2022 to use the funding and resources of the financial industry to support communities in gaining financial independence and helping others. They can thus leverage their capabilities to achieve greater good and create positive energy for local communities. In this project, SinoPac Foundation worked with small stores to create value and new approaches based on "Life x Production x Ecology" and communicate warmth and goodwill in the community for common prosperity, mutual trust, and mutual support. On the other hand, it also hopes to help the teams of small stores overcome current challenges with creative ideas and bring about positive change to the society and the environment to empower local communities together.

In the first SinoPac Store Power Up Project 2023, a panel of experts selected 10 small stores in the final selection meeting. They included Firefly Charity Bookstore, Big Hill North Moon, Douhua Children, PO JEN TANG, kakanan nua qemuma-quma, Good Time Fruit, JINLIAO, HIDEKAWA Soybean Products, Dish of Tomorrow, and BearCatBook. SinoPac Foundation provided resources of partners and project funding. To help more people learn how small stores use creativity to transform local economies and create a better life together, SinoPac organized the "SinoPac Store Power Up Story Exhibition" in 5 branches of Bank SinoPac across Taiwan. SinoPac activated the second SinoPac Store Power Up Project in the second half of 2023 and more than 300 small stores registered for the Project.

The 10 small stores that received funding from SinoPac Foundation's first SinoPac Store Power Up Project jointly attended the presentation of results.

The exhibition of the results of SinoPac Foundation's first SinoPac Store Power Up Project attracted more than 10,000 visitors and the forums were completely filled.

The first SinoPac Store Power Up Story Exhibition was put up in 5 branches of Bank SinoPac across Taiwan.

SinoPac Store Power Up

Stories and results of 10 small stores

HIDEKAWA Soybean Products
Creating a domestic fermentation institute for common prosperity of the community

HIDEKAWA Soybean Products in Sanxia, New Taipei City uses contracted soybeans produced in Taiwan and invests its revenue into after-school companionship for schoolchildren with medium-high risks and career consultation for youths. It thus created a community support system with economic growth capable of sustainable development.

Results

Introduced an automatic soybean soaking machine which successfully increased production capacity by 20%. Purchased fermentation mixing tanks to increase the brewing and fermentation production capacity and increase annual revenue by 28%. Created 3 jobs for the disadvantaged in the community.

Douhua Children
Douha for children in remote rural areas

In a small village in Xincheng, Hualien, next to the high peaks of Taroko, there is a small store called "Douhua Children". The owner sells bowls and bowls of douhua in a remodeled old house, and uses the proceeds from the business to support the training of schoolchildren on the baseball team. The store provides employment opportunities for women from indigenous villages and establishes a community support system for children in remote rural areas.

Results

Completed the refurbishment of kitchen equipment with 3 pings of space for material preparation, purchase of 1 set of chiller equipment, 10% growth in revenue, and 1 gift product under development for launch by 2024. Increased the number of schoolchildren on the baseball team supported to 25, added 2 counselors, and hired 1 full-time employee and 1 intern in the store.

SinoPac Store Power Up

Dish of Tomorrow
A small waste conversion classroom that helps the homeless return home

Dish of Tomorrow in Taichung believes that there are no redundancies for humans or anything in the world. It is committed to reducing food waste and it collects idle resources such as disposable utensils to transfer resources to places where they are needed. A small store is set up to shelter the homeless, support them, and provide them with the strength to return to the society.

Results

Delivered 960 sustainable meal boxes, completed repairs of the "Waste Conversion Classroom" - waste oil reusing area, second-hand fabric conversion area, detailed work conversion area, and old wood conversion area. It provides shelter for 6 homeless men who exchange their work for accommodations.

Big Hill North Moon
Corner shop in the mountains

Big Hill North Moon in Hengshan, Hsinchu was refurbished from an elementary school building from the days of Japanese Rule. It functions as a restaurant that connects local agriculture and the joyful childhood of two generations. The store focuses on citrus fruits — the local specialty of Big Mountain Ridge — and works with growers in joint development of the fruit for food and daily necessities. It allows more people to learn about the diverse applications of citrus fruits and provides the proceeds to rural regional development to create a positive cycle of mutual support in the community

Results

Developed 3 citrus fruit products, organized 1 citrus fruit art festival, set up 2 citrus fruit installation art, completed 1 production and sale platform, and increased the production value of tangerines by 120%.

Good Time Fruit
Good Time Dream Tree House of organic farmers

Good Time Fruit in Beinan, Taitung uses grass cultivation, an environmentally friendly farming approach, to plant pineapples and sugar apples. It made the most use of the limited space in the store to create the Good Time Dream Tree House, which has become a place for children to read and for after-school companionship. It organizes diverse family activities and pays close attention to food and agriculture education to help the parents and employees who work as organic farmers take care of the land and the next generation together.

Results

Created 1 Good Time Dream Tree House and accumulated approximately 550 traffics for the community.

Firefly Charity Bookstore
Connect courage and come onboard to light up the corner shop and go home

Firefly Charity Bookstore in Shiding, New Taipei City was created by youths returning home based on their memories of the prosperity in the Wenshan Mine in the old days. The corner shop represents connections and communities and links the past to the future. It is a vessel for cultural heritage and it changes the community with actions. By making use of what they learned, the youths restored the soil with microbe agents to revitalize the ecology of the land and bring people back to the communities.

Results

Rebuilt 1 corner shop, organized 1 mining village art festival, organized 1 mushroom farm firefly event, collaborated with local farmers' association and women development program in 1 food festival, and set up 1 road sign for guidance.

JINLIAO
Marine waste traveler sustainability action plan

JINLIAO in Nangan, Matsu evolved from a restaurant into a site of local revitalization. It introduced digital and life experience concepts and invites travelers to borrow beach clearing tools in the store free of charge and use the trash they picked up to exchange for meal coupons and points. It promotes responsible traveling for travelers to keep the beaches clean with residents and calls on travelers to jointly support sustainable actions for the ocean

Results

Completed 19 beach clearing activities with 384 traffics and picked up marine waste totaling 7,682kg.

Kakanan nua qemuma-quma
Bread cart from the mountains: Mutual support economy with dishes made from urban and rural farm produce

Kakanan nua qemuma-quma in Majia, Pingtung is owned by a couple from the Paiwan and Bunun tribes, who have four children. The bread van carries bread and thick soup cooked with produce from the tribe as well as handicraft from the tribe across mountains and into cities to exchange food and build connections. It creates economies of scale to connect consumers, elders of the tribe, and organic farmers to pass on the dietary culture of the tribe.

Results

Completed tribal agriculture education for 445 people and provided part-time work opportunities for 3 women from the tribe.

BearCatBook
Owl Cart Everywhere

BearCatBook in Wufeng, Taichung was founded based on a bookstore with coffee as the base and center for community revitalization. It proposed the Owl Cart Project to serve as a site for ecological education on campus and place for providing care to the elderly in the community. It takes care of people and the ecological environment.

Results

Completion of the Owl Cart, which toured communities and carried out 20 ecological education / elderly care missions.

PO JEN TANG
Fun and games in old houses

Located in an alley in Tainan, PO JEN TANG was transformed from a traditional Chinese herbal medicine store into a gourmet restaurant for herbal and medicinal cuisine. It generated buzz and brought Chinese herbal medicine culture into modern life, connecting the second-generation owners of old stores in Tainan to jointly create brand-new cultural scenes.

Results

Second-generation owners of old stores in Tainan jointly formed a regional brand called "TainanMade" and "Taiwan Industry Inheritance and Innovation Festival".

6.6 Supporting Sports Development to Create a Sport Ecosystem

Bank SinoPac actively encourages people in all age groups across the country to make exercise a habit. In 2018, the Company launched "SinoPac Sport Card", the first card that integrated technology and sports in Taiwan. Bank SinoPac also used the "Sweat does not flow in vain" APP to connect daily exercise with credit card rebates to create a sport ecosystem. Bank SinoPac provides long-term sponsorship for sports to enhance connections with young people and support diverse adaptive development for young students. It has provided sponsorship to the NCCU Griffins Basketball Team for the fifth consecutive year to help youths make their dreams come true on court. In 2023, Bank SinoPac received the Sports Activists Awards - Long Term Sponsorship Award from the Sports Administration of the Ministry of Education. The Griffins won the championship in the second World University Basketball Series (WUBS) in 2023. Bank SinoPac continued to sponsor the Taiwan Beer Leopards professional basketball team as the main sponsor and sponsored the Tumt Taipei Leopards and Taichung Football Academy FUTURO. Bank SinoPac seek to empower young athletes from youth sports to professional basketball, help develop domestic sports talents, and propel Taiwanese players onto the global stage. Bank SinoPac also filmed a short video with NCCU Griffins Basketball Team to remind young people to exercise caution in their investments and avoid falling for frauds as they gradually accumulate wealth and carefully choose their financial tools. They jointly promoted digital financial inclusion and discussed the importance of financial and wealth management.

Bank SinoPac provides strong support for the NCCU Griffins Basketball Team to help cultivate domestic athletes. They were crowned the champions of the second World University Basketball Series (WUBS).

APPENDIX

Appendix 1: Other ESG Data

Appendix 2: GRI Content Index

Appendix 3: Sustainability Accounting Standards Board (SASB VERSION 2023-12) Index

Appendix 4: Disclosure Items according to the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

Appendix 1: Other ESG Data

2023 SinoPac Holdings Tax Data

Net Revenues and Percentages by Country in The Most Recent Two Years:

Unit: NT$ thousand

Country	2023		2022	
	Amount	Percentage	Amount	Percentage
Taiwan	44,463,035	82.5%	39,881,407	84.4%
USA	1,359,925	2.5%	701,355	1.5%
Asia	8,143,260	15.1%	6,689,369	14.2%
Others	(65,208)	(0.1%)	(26,375)	(0.1%)
SinoPac Holdings (Consolidated)	53,901,012	100%	47,245,756	100%

Profit Before Tax and Percentages by Country in The Most Recent Two Years:

Unit: NT$ thousand

Country	2023		2022	
	Amount	Percentage	Amount	Percentage
Taiwan	18,456,747	80.0%	15,603,421	80.4%
China	312,201	1.4%	526,747	2.7%
Hong Kong	2,676,179	11.6%	2,005,255	10.3%
Macau	648,073	2.8%	518,328	2.7%
Vietnam	415,560	1.8%	199,206	1.0%
USA	603,968	2.6%	580,012	3.0%
Others	(41,834)	(0.2%)	(28,254)	(0.1%)
SinoPac Holdings (Consolidated)	23,070,894	100%	19,404,715	100%

Income Tax Paid and Percentages by Country in The Most Recent Two Years:

Unit: NT$ thousand

Country	2023		2022	
	Amount	Percentage	Amount	Percentage
Taiwan	2,366,277	73.5%	2,949,087	81.2%
China	83,048	2.6%	122,447	3.4%
Hong Kong	363,596	11.3%	370,520	10.2%
Macau	33,698	1.0%	0	0%
Vietnam	75,854	2.4%	38,208	1.0%
USA	295,431	9.2%	153,060	4.2%
Others	0	0.0%	0	0.0%
SinoPac Holdings (Consolidated)	3,217,904	100%	3,633,322	100%

Performance of SinoPac Holdings' Sustainable Finance Products and Services in 2023

1. ESG Investing Products & Services

(1) Proprietary sustainable investment products

Category (Note 1)	AUM FY 2023 (NT$)	Percentage of ESG products (%)
ESG Integration	400,129,383	0.51%
SinoPac SITC: SinoPac Taiwan ESG Plus Fund	400,129,383	0.51%
Best in Class	9,930,668,890	12.78%
SinoPac SITC: SinoPac Taiwan Target Exposure ESG ETF	9,930,668,890	12.78%
Thematic	3,914,794,457	5.04%
SinoPac SITC: SinoPac ESG Global Digital Infrastructure Fund	1,755,563,083	2.26%
SinoPac SITC: SinoPac Taiwan ESG Low Carbon High Dividend 40 ETF	2,159,231,374	2.78%
Impact investing	0	0
Other	0	0
Total sustainable AUM	14,245,592,730	18.33%
Total AUM (Note 2)	77,721,662,709	

Note 1 : For the definitions and descriptions of the sustainable investment products, please refer to 3.2.3.2 Sustainable Investment Products.
Note 2 : The total net assets of Mutual funds of the SinoPac SITC at the end of 2023.

(2) Third-party sustainable investment products (Note 1)

Category	AUC FY 2023 (NT$)	Percentage of ESG products (%)
ESG Integration	1,291,957,510	0.95%
Best in Class	440,672,911	0.32%
Thematic	129,265,216	0.09%
Impact investing	173,127,900	0.13%
Other	992,425,942	0.73%
Total sustainable AUC	3,027,449,479	2.22%
Total AUC (Note 2)	136,160,506,868	

Note 1 : The sustainable investment products provided by third parties comply with the European Union's Sustainable Finance Disclosure Regulation (SFDR). For details on the definitions of the ESG-themed funds, please refer to 3.2.3.2 Sustainable Investment Products.
Note 2 : The total amount of Bank SinoPac and SinoPac Securities' domestic and overseas funds at the end of 2023.

2. ESG Financing Products & Services

(1) Corporate Finance

Category	Monetary value FY 2023 (NT$)	Percentage of ESG products (%)
Sustainability-linked corporate loans	**23,206,226,538**	**2.89%**
Green loans, social loans, sustainable loans	**139,422,721,429**	**17.39%**
Bank SinoPac: Loans to Domestic Textiles Companies for obtaining bluesign® standard	3,231,354,959	0.40%
Finance for Energy Storage and Energy Saving Facilities	6,642,646,399	0.83%
• Bank SinoPac: Financing energy storage systems	5,971,175,359	0.74%
• Bank SinoPac: Replacement of Large Diesel Vehicles	671,471,040	0.08%
Green/Sustainable Infrastructure Finance	108,141,923,241	13.49%
• Bank SinoPac: Solar Photovoltaic Energy Generation Equipment Financing for Corporates	104,653,625,328	13.05%
• Bank SinoPac: Other Green Energy loan (Note 1)	2,265,524,893	0.28%
• SinoPac Leasing: Financing for Green Energy Equipment and its Supply Chain	1,222,773,020	0.15%
Agriculture Support	2,238,973,301	0.28%
• Bank SinoPac: Smart Wholesale Market Transaction Facilitation Platform (receivables from merchant card and distribution card for corporates)	11,636,909	0.001%
• Bank SinoPac: Agriculture Relevant Enterprises Loan	2,227,336,392	0.28%
Social Support	19,167,823,529	2.39%
• Bank SinoPac: Community Development Loan (Corporate)	19,167,823,529	2.39%
Total sustainable value	**162,628,947,967**	**20.28%**
Total value of corporate lending (Note 2)	**801,913,439,540**	

Note 1: Bank SinoPac's "Other green energy loan" mainly includes onshore wind power, geothermal, small hydro power and other energy construction projects, excluding solar photovoltaic energy generation equipment financing and energy storage equipment financing.

Note 2: The balance includes Bank SinoPac and SinoPac Leasing's total corporate loan/ financing outstanding (including overdue receivables) in 2023.

(2) Consumer Finance

Category	Monetary value FY 2023 (NT$)	Percentage of ESG products (%)
Sustainable loans and mortgages	**4,559,247,654**	**0.64%**
Bank SinoPac: Green Mortgage	2,049,002,574	0.29%
Bank SinoPac: Community Development Loan (Natural person)	2,208,523,624	0.31%
Energy Saving Equipment	301,721,456	0.04%
• Bank SinoPac: Financing for Household Solar Energy Equipment	239,227,712	0.03%
• Bank SinoPac: Personal Electric Vehicle loans	62,493,744	0.01%
Total value of personal and mortgage lending (Note)	**712,390,342,790**	

Note: Outstanding amount of the overall retail banking (including overdue receivables) in 2023, which includes the balance of mortgage, car loans, credit loans, credit card lending, etc.

(3) SME Lending

Category	Monetary value FY 2023 (NT$)	Percentage of ESG products (%)
Sustainable SME loans (Note1)	**129,045,024,287**	**38.60%**
Bank SinoPac: Sustainability Linked Loan (SME)	296,982,863	0.09%
Bank SinoPac: Solar Photovoltaic Energy Generation Equipment Financing for Corporates (SME)	102,112,712,644	30.54%
Bank SinoPac: Finance for Energy Storage Facilities (SME)	5,841,581,191	1.75%
Bank SinoPac: Other Green Energy Loan (SME) (Note 2)	1,489,138,542	0.45%
SinoPac Leasing: Financing for Green Energy Equipment and its Supply Chain (SME)	1,222,773,020	0.37%
Bank SinoPac: Loans to Domestic Textiles Companies for obtaining bluesign® standard (SME)	214,194,959	0.06%
Bank SinoPac: Community Development Loan (SME)	17,867,641,068	5.34%
Total value of SME lending (Note 3)	**334,333,445,926**	

Note 1: Sustainable SME loans sourced from the overall legal person financial case, meets the company's definition of SMEs (that is, meets the Ministry of Economic Affairs' definition of SMEs: refers to company registration or commercial registration in accordance with the law, and the paid-in capital is lower than NT$100 million or the employees less than 200 employees on a regular basis).

Note 2: Bank SinoPac's "Other green energy loan" mainly includes onshore wind power, geothermal, small hydropower and other energy construction projects, excluding solar photovoltaic energy generation equipment financing and energy storage equipment financing.

Note 3: The balance includes Bank SinoPac and SinoPac Leasing's total SME loan/ financing outstanding (including overdue receivables) in 2023.

3. ESG Advisory Services

Category	Monetary value FY 2023 (NT$)	Percentage of products verified/ assured/certified (%)	Percentage of ESG products (%)
Fixed Income Underwriting: Green, social, sustainable bonds	**7,460,000,000**	**100**	**16.79%**
• Bank SinoPac co-underwriting of green bonds	2,800,000,000	100	6.30%
• SinoPac Securities lead/co-underwriting of green bonds	3,410,000,000	100	7.67%
• SinoPac Securities co-underwriting of social bonds	150,000,000	100	0.34%
• SinoPac Securities lead/co-underwriting of sustainable bonds	1,100,000,000	100	2.48%
Fixed Income Underwriting: Sustainability-linked bonds	**600,000,000**	**100**	**1.35%**
• SinoPac Securities co-underwriting of Sustainability-linked bonds	600,000,000	100	1.35%
Total sustainable monetary value	**8,060,000,000**	**100**	**18.14%**
Total monetary value (Note)	**44,440,000,000**		

Note: Total amount of the SinoPac Securities and Bank SinoPac fixed income products in 2023. SinoPac Securities does not provide securitization business.

Human Resource Management Indicators of SinoPac Holdings in 2023

1. Employee Structure Data

(1) Employee Information

Area	Female		Male		Total	
	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage
Full-time employees (Note 1)						
Taiwan	5,462	58.26%	3,524	37.59%	8,986	95.84%
Overseas	236	2.52%	149	1.59%	385	4.11%
Part-time employees (Note 2)						
Taiwan	2	0.02%	3	0.03%	5	0.05%
Total	**5,700**	**60.79%**	**3,676**	**39.21%**	**9,376**	**100.00%**

Note 1: Full-time employees are employees with contracts for an indeterminate period.
Note 2: Part-time employees are employees with contracts for a determinate period.
Note 3: The number of employees is calculated based on the number of employees at the end of 2023 and there is no significant fluctuation about FTEs compared to previous year.

(2) Employee Structure

Age	Gender	Non-managerial Level (Note 2)		Managerial Level						Total	
				Junior management (Note 3)		Middle management (Note 4)		Top management (Note 5)			
		Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage
Aged under 30	Female	997	13.2%	1	0.1%					998	10.7%
	Male	640	8.4%	-	0.0%					640	6.8%
	Subtotal	1,637	21.6%	1	0.1%					1,638	17.5%
Aged 30-49	Female	3,024	40.0%	285	28.0%	112	16.3%	1	1.0%	3,422	36.5%
	Male	1,688	22.3%	243	23.8%	128	18.6%	4	4.2%	2,063	22.0%
	Subtotal	4,712	62.3%	528	51.8%	240	34.9%	5	5.2%	5,485	58.5%
Aged 50 or above	Female	798	10.5%	264	25.9%	187	27.2%	29	29.9%	1,278	13.6%
	Male	420	5.6%	226	22.2%	261	37.9%	63	64.9%	970	10.4%
	Subtotal	1,218	16.1%	490	48.1%	448	65.1%	92	94.8%	2,248	24.0%
Total	Female	4,819	63.7%	550	54.0%	299	43.5%	30	30.9%	5,698	60.8%
	Male	2,748	36.3%	469	46.0%	389	56.5%	67	69.1%	3,673	39.2%
	Subtotal	**7,567**	**100.0%**	**1,019**	**100.0%**	**688**	**100.0%**	**97**	**100.0%**	**9,371**	**100.0%**

Note 1: The statistical scope only covers FTEs.
Note 2: Non-managerial level: refer to employees whose job grades are 6 or below.
Note 3: Junior management: the lowest level of supervisory in the managerial roles (job grade 7).
Note 4: Middle management: managers or managers in specific departments responsible for the implementation of policies and plans for top management; two grades below the top management (job grade 8 and 9).
Note 5: Top management: executives within two grades below the CEO (job grade 10 and above).

Workforce Breakdown on Race/Ethnicity

Race/Ethnicity Category	Number of employees	Share in total workforce (%)	Share in all management positions (%)
Asian -Ethnic Chinese	9,223	98.42%	99.56%
Asian -Aboriginal	12	0.13%	0.06%
Asian -Vietnamese	115	1.23%	0.00%
Asian -Malay	6	0.06%	0.06%
American-American	14	0.15%	0.28%
American-Canadian	1	0.01%	0.06%

Note 1: The statistical scope only covers FTEs.
Note 2: All management positions include junior, middle, and top management.

(3) New Hires Structure of The Year

Area	Female				Male				Total number of new employee hires	New hire rate
	Aged under 30	Aged 30-49	Aged 50 or above	Total	Aged under 30	Aged 30-49	Aged 50 or above	Total		
Taiwan	425	426	72	923	341	373	29	743	1,666	17.78%
Overseas	32	47	2	81	14	27	4	45	126	1.34%
Total	457	473	74	1,004	355	400	33	788	1,792	19.12%
New hire rate	4.88%	5.05%	0.79%	10.71%	3.79%	4.27%	0.35%	8.41%	19.12%	-

Note: The new hire rate is calculated by dividing the total number of FTEs by the total number of new hires.

(4) Information on Workers Who Are Not Employees

Contract type	Contractual relationship with the organization	Work Type	Number of people (Note)
Dispatched employees	Third-party indirect employment	Administrative affairs	204

Note: The number of people is calculated based on the number of people at the end of 2023.

2. Training and Development Data

(1) Training and Development Statistics Over the Years

	2020	2021	2022	2023
Total training expenses (NT$) (Note 1)	42.86 million	40.23 million	59.82 million	76.84 million
Average training expenses per FTE (NT$)	5,005	4,591	6,627	8,200
Total training hours	370,447	472,525	531,736	665,888
Average training hours per FTE	43.26	53.92	58.91	71.06
Number of professional financial certificates (Note 2)	30,231	30,748	31,497	31,286
Number of CFP certificates	39	46	52	72
Total number of training sessions	2,633	2,185	1,518	1,849
Total number of attendances in training	156,297	192,489	248,740	330,586

Note 1 : Total training expenses: instructor fees, textbook fees, and indirect costs (including cost from transportation, venues, meals, training equipment and materials, etc.).
Note 2 : The information on the professional financial certificates is the same as the annual report.

(2) 2023 Training and Development Statistics

	Total training hours		Average training hours per FTE		Total
Level /Gender	**Female**	**Male**	**Female**	**Male**	
Top management (Job grade 10 and above)	2,042	4,262	68.06	63.61	64.99
Middle management (Job grade 8-9)	27,629	36,645	92.41	94.20	93.42
Junior management (Job grade 7)	49,274	37,871	89.59	80.75	85.52
Non-management (Job grade 6 below)	319,004	189,163	66.20	68.84	67.16
Total	397,949	267,940	69.84	72.95	71.06

(3) 2023 Training and Development Courses

Theme/Category	Total training hours	Average training hours per FTE (Note 4)	Training cost (Note 5)
Professional Training Courses (Note 1)	578,123	61.69	76,841,788
Project Training Courses (Note 2)	62,497	6.67	
Management Skills Training Courses (Note 3)	25,269	2.70	

Note 1 : Professional Training Courses include new hires trainings, statutory trainings, professional program trainings, etc.
Note 2 : Project Training Courses include project-related training courses.
Note 3 : Management Skills Training Course includes core management skill training courses.
Note 4 : Excluding dispatched employees; one day denotes 8 hours.
Note 5 : Training cost: direct expenses on training courses such as lecturer fees, textbook fees, etc.

(4) Statistics on Occupational Health and Safety Training

Year		2020		2021		2022		2023	
Course	**Subject**	**Number of people**	**Training hour**	**Number of people**	**Training hour**	**Number of people**	**Training hour**	**Number of people**	**Training hour**
Training of Occupational Health and Safety manager	Employee with the license of "occupational safety and health affairs managers" of Class 2 (inclusive) or above	28	644	157	1,375	236	455	253	1,622
Training of emergency aid personnel	Employee with first aider license	81	679	57	528	412	1,910	128	731
Training of fire prevention personnel	Employee with fire prevention personnel license	128	909	35	284	163	250	210	909

3. Employee Turnover Analysis

(1) Total Number of Employees Undergone Regular Performance Evaluation (by gender and job grade)

	Number of female employees	Percentage	Number of male employees	Percentage	Total
Top Management (Job grade 10 and above)	29	30.53%	66	69.47%	95
Middle management (Job grade 8-9)	295	43.13%	389	56.87%	684
Junior management (Job grade 7)	540	53.84%	463	46.16%	1,003
Non-management (Job grade 6 below)	4,557	64.25%	2,536	35.75%	7,093
Total	**5,421**	**61.08%**	**3,454**	**38.92%**	**8,875**

(2) Employee Turnover Rate in 2023 (Note 1)

Area	Female				Male				Total number of employees	Total employee turnover rate
	Aged under 30	Aged 30-49	Aged 50 or above	Total	Aged under 30	Aged 30-49	Aged 50 or above	Total		
Taiwan	217	314	92	623	137	229	101	467	1,090	11.63%
Overseas	17	26	2	45	6	15	5	26	71	0.76%
Total	234	340	94	668	143	244	106	493	1,161	12.39%
Total employee turnover rate (Note 2)	2.50%	3.63%	1.00%	7.13%	1.53%	2.60%	1.13%	5.26%	12.39%	--

Note 1 : The scope of resignation covered voluntary resignation, retirement, and involuntary resignation, excluding leave without pay or resignation in probation.
Note 2 : The employee turnover rate = total number of resigned FTEs / the total number of FTEs.

(3) Employee Turnover Rate over the Years

	2020	2021	2022	2023
Total employee turnover rate (Note 1)	8.99%	11.05%	11.53%	12.39%
Voluntary employee turnover rate (Note 2)	7.79%	9.70%	10.10%	10.62%
Coverage rate (%) (Note 3)	100%	100%	100%	100.00%

Note 1 : Turnover rate = total number of resigned FTEs / the total number of FTEs. Reasons for resignation include voluntary resignation, retirement, and dismissal, excluding leave without pay or resignation in probation.
Note 2 : Voluntary turnover rate = total number of resigned FTEs / the total number of FTEs. Reasons for resignation include voluntary resignation, excluding retirement, dismissal, leave without pay or resignation in probation.
Note 3 : Coverage rate is the scope of employees covered by the turnover employee statistics.

(4) Information about Salary of Full-time Employees Who Are Not in a Managerial Position

Item	Unit	2022	2023	Y to Y change
Number of full-time employees who are not in a managerial position	Number of employees	7,513	7,804	291
Total salary of full-time employees who are not in a managerial position	NT$ Thousand	9,500,736	10,613,082	1,112,346
Average salary of full-time employees who are not in a managerial position	NT$ Thousand	1,265	1,360	95
Median of full-time employees who are not in a managerial position	NT$ Thousand	1,089	1,154	65

Note 1 : Coverage of the data above includes SinoPac Holdings, Bank SinoPac, and SinoPac Securities.
Note 2 : Full-time employees who are not in a managerial position refer to all employees (or permanent employees) excluding employees in managerial positions, employees at overseas branches and part-time employees.

(5) Parental Leave in 2023

Item	Female	Male	Total
Number of employee eligible for parental leave in 2023 (A) (Note)	323	222	545
Number of applicants for parental leave in 2023 (B)	88	10	98
Application rate in 2023 (B/A)	27.2%	4.5%	18.0%
Number of employees to be reinstated in 2023 (C)	98	12	110
Number of employees reinstated in 2023 (D)	90	9	99
Reinstatement rate in 2023 (D/C)	91.8%	75.0%	90.0%
Number of employees reinstated in 2022 (E)	78	9	87
Number of employees reinstated in 2022 who have worked for more than one year (F)	69	8	77
2022 retention rate (F/E)	88.5%	88.9%	88.5%

Note: (A) The source of the data is the number of FTEs with children under the age of 3 in the personnel system of SinoPac Holdings in 2023.

(6) Absentee Rate

Year	2020	2021	2022	2023
Absentee days	18,743	14,491	19,361	27,554
Absentee rate	0.88%	0.67%	0.86%	1.19%

Note: Absentee rate = days of sick and personal leave taken by all employees / (total work hours * total number of employees at the end of the year, excluding dispatched employees), excluding leaves related to pandemic prevention (vaccination leave, vaccination care leave, quarantine leave, and care leave).

(7) Human Capital Return on Investment

Year	2020	2021	2022	2023
Net revenue (NT$ Thousand)	38,990,753	45,703,242	47,245,756	53,901,012
Total operating expenses (NT$ Thousand)	22,603,735	24,827,129	25,396,649	28,525,899
Total employee-related expenses (NT$ Thousand) (Note1)	14,478,449	16,335,909	15,819,509	18,013,266
HC ROI (Note2)	2.13	2.28	2.38	2.41

Note 1 : Please refer to page308 of SinoPac Holdings Annual Report for details on employee-related expenses.
Note 2 : HC ROI = (Total Revenue - (Total operating expenses - Total employee-related expenses)) / Total employee-related expenses.

SinoPac Holdings' GHG Emissions data over the years

SinoPac Holdings' GHG Emissions Data and certified situation from 2020~2023

Category		2020	2021	2022	2023
Scope 1	GHG emission (t-CO_2e)	1,164.54	1,284.34	1,353.37	1,508.20
	Emission intensity (NT$, per million of revenue)	0.030	0.028	0.029	0.028
Scope 2	GHG emission (t-CO_2e)	18,724.99	18,155.42	17,855.67	15,401.45
	Emission intensity (NT$, per million of revenue)	0.481	0.397	0.378	0.286
Scope 1+2	GHG emission (t-CO_2e)	19,889.53	19,439.76	19,209.03	16,909.65
	Emission intensity (NT$, per million of revenue)	0.511	0.425	0.407	0.314
Scope 3 GHG emission		4,943.46	7,969.51	7,156.06	9,316.17
Scope 1+2+3 total emissions (t- CO_2e)		24,832.99	27,409.27	26,365.10	26,225.82
Certified institution		BSI Group Singapore Pte. Ltd.	BSI Group Singapore Pte. Ltd.	BSI Group Singapore Pte. Ltd.	BSI Group Singapore Pte. Ltd.
Description of certified situation		The total GHG emissions of Scope 1+2 of the company and its subsidiaries are 19,889.53 tCO_2e . In accordance with ISO 14064-1:2018 issued by the International Standards Organization (ISO), inspection of direct and indirect GHG emissions was conducted from January 1, 2020 to December 31, 2020. The carbon emissions from domestic sites are 18,502.49 tCO_2e (accounting for 93.03% of total emissions), certified by the assurance agency BSI in accordance with ISO 14064-3:2006 standards, and issued the assurance report with the assurance opinion of reasonable assurance level. Carbon emissions from overseas locations are 1,387.04 tCO_2e (uncertified).	The total GHG emissions of Scope 1+2 of the company and its subsidiaries are 19,439.76 tCO_2e . In accordance with ISO 14064-1:2018 issued by the International Standards Organization (ISO), inspection of direct and indirect GHG emissions was conducted from January 1, 2021 to December 31, 2021. The carbon emissions from domestic sites are 17,819.24 tCO_2e (accounting for 91.66% of total emissions), certified by the assurance agency BSI in accordance with ISO 14064-3:2006 standards, and issued the assurance report with the assurance opinion of reasonable assurance level. Carbon emissions from overseas locations are 1,620.52 tCO_2e (uncertified).	The total GHG emissions of Scope 1+2 of the company and its subsidiaries are 19,209.03 tCO_2e (100% of the total emissions). In accordance with ISO 14064-1:2018 issued by the International Standards Organization (ISO), Inspection of direct and indirect GHG emissions was conducted from January 1, 2022 to December 31, 2022. It was certified by the assurance agency BSI in accordance with ISO 14064-3:2006 standards, and issued the assurance report with the assurance opinion of reasonable assurance level.	The total GHG emissions of Scope 1+2 of the company and its subsidiaries are 16,909.65 tCO_2e (100% of the total emissions). In accordance with ISO 14064-1:2018 issued by the International Standards Organization (ISO), Inspection of direct and indirect GHG emissions was conducted from January 1, 2023 to December 31, 2023. It was certified by the assurance agency BSI in accordance with ISO 14064-3:2019 standards, and issued the assurance report with the assurance opinion of reasonable assurance level.
Notes		Scope 3 include 5 items: emissions from waste generated in operations, business travel, fuel-and-energy-related activities, purchased goods and services, and upstream leased assets.	Scope 3 include 7 items: emissions from waste generated in operations, business travel, fuel-and-energy-related activities, purchased goods and services, upstream leased assets, use of sold product, and end of life treatment of sold products.	Scope 3 include 8 items: emissions from upstream transportation and distribution, business travel, purchased goods and services, fuel-and-energy-related activities, waste generated in operations, upstream leased asset, use of sold products, and end of life treatment of sold products.	Scope 3 include 9 items: emissions from upstream transportation and distribution, downstream transportation and distribution, business travel, purchased goods and services, fuel-and-energy-related activities, waste generated in operations, upstream leased asset, use of sold products, and end of life treatment of sold products.

SinoPac Holdings and Subsidiaries' Scope 1 and 2 GHG Emissions Data from 2022~2023

Category/Company		2022		2023	
		Scope 1	Scope 2	Scope 1	Scope 2
GHG emissions (t- CO_2e)	Holdings	150.35	693.46	177.34	690.54
	Bank	826.43	12,739.34	918.20	10,791.96
	Securities	231.30	4,102.12	286.24	3,604.40
	Venture Capital	2.92	17.98	7.40	18.06
	Securities Investment Trust	0.98	82.85	1.39	78.90
	Leasing	141.39	219.92	117.64	217.59
	Total	1,353.37	17,855.67	1,508.20	15,401.45
Emission intensity (NT$, per million of revenue)	Bank	0.022	0.346	0.023	0.267
	Securities	0.020	0.360	0.019	0.242

Bank SinoPac and SinoPac Securities' Water Resources Management Data from 2022~2023

Indicators / Year / Company	Total water consumption(cubic meters)		water consumption intensity: cubic meters/per person (Note)	
	2022	2023	2022	2023
Bank	131,506	123,817	20.07	17.60
Securities	34,984	38,619	12.17	13.06
Holdings and other subsidiaries	6,879	12,174	23.56	34.49
total	173,369	174,609	17.84	16.88
Data Coverage(%)	100%	100%	100%	100%

Note: The number of employees refers to full-time domestic and overseas employees, excluding dispatched employees.

Bank SinoPac and SinoPac Securities' Waste Management Data from 2022~2023

Type of Waste (Metric Tons)	Recycle Waste				General Industrial Waste				Total Waste	
	Paper/bottles/iron and aluminum cans		Electronic waste (computers/monitors/ printers)		Incineration process volume		Landfill volume			
year / company	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Bank	117.63	132.69	0.19	0.30	233.19	263.39	0	0	351.01	396.39
Securities	45.02	39.12	1.47	0.13	99.45	85.40	0	0	145.93	124.64
Holdings and other subsidiaries	26.38	10.67	0.008	0.003	56.44	17.01	0	0	82.82	27.68
total	189.03	182.48	1.66	0.43	389.08	365.80	0	0	579.77	548.71
Data Coverage(Note)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: The number of employees refers to full-time domestic employees, excluding dispatched and overseas employees.

Appendix 2: GRI Content Index

Statement of use	SinoPac Holdings has reported in accordance with the GRI standards for the period from January 1 to December 31, 2023
GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI G4 Sustainability Reporting Supplement Guidelines for Financial Services Sector

GRI Standards	Disclosure Item	Referring Chapter	Page	Verified
GRI 2: General Disclosures 2021	2-1 Organizational details	About this Report Introduction of SinoPac Holdings	3 14	●
	2-2 Entities included in the organization's sustainability reporting	About this Report Introduction of SinoPac Holdings	3 14	●
	2-3 Reporting period, frequency and contact point	About this Report	3	●
	2-4 Restatements of information	None	-	●
	2-5 External assurance	About this Report	3	●
	2-6 Activities, value chain and other business relationships	Introduction of SinoPac Holdings Special Chapter 2 Business and Profit Models of SinoPac's Subsidiaries 5.2 Sustainable Supply Chain	14 16 103	●
	2-7 Employees	4.1.1 Diversity in Employee Structure Appendix 1: Other ESG Data-Human Resource Management Indicators	87 117	●
	2-8 Workers who are not employees	4.1.1 Diversity in Employee Structure Appendix 1: Other ESG Data-Human Resource Management Indicators	87 117	●
	2-9 Governance structure and composition	1.1.1 Sustainable Governance Framework 2.1.1 Governance Framework 2.1.3 Composition and Operations of the Board of Directors	23 34 35	●
	2-10 Nomination and selection of the highest governance body	2.1.3 Composition and Operations of the Board of Directors	35	●
	2-11 Chair of the highest governance body	2.1.3 Composition and Operations of the Board of Directors	35	●
	2-12 Role of the highest governance body in overseeing the management of impacts	Identification of Stakeholders and Material Topics 1.1.1 Sustainable Governance Framework 2.1.1 Governance Framework	5 23 34	●
	2-13 Delegation of responsibility for managing impacts	Identification of Stakeholders and Material Topics 1.1.1 Sustainable Governance Framework	5 23	●
	2-14 Role of the highest governance body in sustainability reporting	Identification of Stakeholders and Material Topics 1.1.1 Sustainable Governance Framework	5 23	●
	2-15 Conflicts of interest	2.1.3 Composition and Operations of the Board of Directors 2.2.1 Ethical Corporate Management Culture	35 37	●
	2-16 Communication of critical concerns	Identification of Stakeholders and Material Topics 1.1.1 Sustainable Governance Framework 2.2.1 Ethical Corporate Management Culture 2.3.1 Risk Management Framework	5 23 37 41	●
	2-17 Collective knowledge of the highest governance body	2.1.3 Composition and Operations of the Board of Directors 2.3.2 Risk Culture and Management	35 43	●
	2-18 Evaluation of the performance of the highest governance body	2.1.3 Composition and Operations of the Board of Directors 2.1.4 Senior Executive Remuneration Policy	35 36	●
	2-19 Remuneration policies	2.1.3 Composition and Operations of the Board of Directors 2.1.4 Senior Executive Remuneration Policy	35 36	●
	2-20 Process to determine remuneration	2.1.4 Senior Executive Remuneration Policy 4.3.1 Compensation System	36 93	●
	2-21 Annual total compensation ratio	2.1.4.3 Executive Remuneration	37	●
	2-22 Statement on sustainable development strategy	1.1.2 Roadmap for Sustainable Development 1.1.3 Three Sustainability Commitments and SDGs	24 25	●
	2-23 Policy commitments	Special Chapter 3 Pave the way for Net Zero Emissions 2.1 Corporate Governance 2.2.1 Ethical Corporate Management Culture 2.3 Risk Management 3.1 Sustainable Finance Strategy	18 34 37 41 60	●
	2-24 Embedding policy commitments	Special Chapter 3 Pave the way for Net Zero Emissions 2.1 Corporate Governance 2.2.1 Ethical Corporate Management Culture 2.3 Risk Management 3.1 Sustainable Finance Strategy	18 34 37 41 60	●
	2-25 Processes to remediate negative impacts	2.2.4 Material Violations and Improvement Measures 2.3.7.3 Value Chain Risk Identification Results and Mitigation Measures 2.4.2.3 Information Security Management Process and System 2.5.3 Breach of Privacy 3.4.2 Customer Satisfaction and Customer Feedback Mechanism 4.4.3.3 Workplace Equality and Anti-Discrimination	40 53 55 56 84 96	●
	2-26 Mechanisms for seeking advice and raising concerns	2.2.1 Ethical Corporate Management Culture 2.3.7 Human Rights Risk Identification and Management 2.4.2 Information Security/Cybersecurity Management 2.5 Privacy and Security 4.4.2 Employee Communication 4.4.3.3 Workplace Equality and Anti-Discrimination	37 52 54 55 94 96	●

GRI Standards	Disclosure Item	Referring Chapter	Page	Verified
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	2.2.4 Material Violations and Improvement Measures	40	●
	2-28 Membership associations	1.1.5 Membership in Trade Associations	30	●
	2-29 Approach to stakeholder engagement	Identification of Stakeholders and Material Topics	5	●
	2-30 Collective bargaining agreements	4.4.1 Harmonious Labor-Management Relations	94	●
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Identification of Stakeholders and Material Topics	5	●
	3-2 List of material topics	Identification of Stakeholders and Material Topics	5	●
Critical Topics				
Corporate Governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 2.1 Corporate Governance 2.2 Ethical Corporate Management and Legal Compliance	5 34 37	●
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	2.2.1 Ethical Corporate Management Culture	37	●
	205-2 Communication and training about anti-corruption policies and procedures	2.1.3.2 Operations of the Board of Directors 2.2.1 Ethical Corporate Management Culture	36 37	
	205-3 Confirmed incidents of corruption and actions taken	2.2.4 Material Violations and Improvement Measures	40	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1.3.1 Composition of the Board of Directors	35	●
Risk Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics Special Chapter 3 Pave the Way for Net Zero Emissions 2.3 Risk Management	5 18 41	●
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	2.3.5 Climate Change Risk Management 3 Fulfillment of Innovative Service, Summary of Six Capitals Performance (Organizing seminars on green energy) 5 Fulfillment of Green Operations, Summary of Six Capitals Performance (Investment in energy saving and carbon emissions reduction, renewable energy purchased)	46 58 98	●
Information Security and Cybersecurity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 2.4 Information Security/Cybersecurity	5 54	●
Privacy Protection				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 2.5 Privacy and Security	5 55	●
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	no privacy breach during the reporting period.	-	●

GRI Standards	Disclosure Item	Referring Chapter	Page	Verified
Sustainable Finance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 1.1.3 Three Sustainability Commitments and SDGs 3.1.1 Sustainable Finance Management Framework 3.1.2 Responsible Investment 3.1.3 Responsible Lending	5 25 60 61 65	●
G4-Financial Services Sector Supplement: Product Portfolio	G4-FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	3.1.1 Sustainable Finance Management Framework 3.1.2 Responsible Investment 3.1.3 Responsible Lending 3.2 Sustainable Financial Products and Services	60 61 65 70	
G4-Financial Services Sector Supplement: Active Ownership	G4-FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	3.1.2 Responsible Investment	61	
	G4-FS11 Percentage of assets subject to positive and negative environmental or social screening	3.1.2 Responsible Investment 3.1.3 Responsible Lending	61 65	
Climate Change and Net Zero Strategy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 2.3.5 Climate Change Risk Management 5.1.1 Environmental Policies and Management 5.1.2 Energy and Resource Management	5 46 99 99	●
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	2.3.5 Climate Change Risk Management 3 Fulfillment of Innovative Service, Summary of Six Capitals Performance (Organizing seminars on green energy) 5 Fulfillment of Green Operations, Summary of Six Capitals Performance (Investment in energy saving and carbon emissions reduction, purchased renewable energy)	46 58 98	●
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.1.2.1 Greenhouse Gas Management 5.1.2.2 Energy Management	99 101	●
	302-2 Energy consumption outside of the organization	5.1.2.1 Greenhouse Gas Management 5.1.2.2 Energy Management	99 101	
	302-3 Energy intensity	5.1.2.2 Energy Management	101	
	302-4 Reduction of energy consumption	5.1.2.2 Energy Management	101	
	302-5 Reductions in energy requirements of products and services	5.1.2.2 Energy Management	101	

GRI Standards	Disclosure Item	Referring Chapter	Page	Verified
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.1.2.1 Greenhouse Gas Management	99	●
	305-2 Energy indirect (Scope 2) GHG emissions	5.1.2.1 Greenhouse Gas Management	99	
	305-3 Other indirect (Scope 3) GHG emissions	5.1.2.1 Greenhouse Gas Management	99	
	305-4 GHG Emissions Intensity	5.1.2.1 Greenhouse Gas Management	99	
	305-5 Reduction of GHG Emissions	5.1.2.1 Greenhouse Gas Management	99	
	305-6 Emissions of ozone-depleting substances (ODS)	Operations not related to ozone-depleting substances	-	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Operations not related to significant emissions of nitrogen oxides (NOX), sulfur oxides (SOX), persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), suspended particulates (PM).	-	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.1.2.3 Waste Management	102	●
	306-2 Management of significant waste-related impacts	5.1.2.3 Waste Management	102	
	306-3 Waste Generated	5.1.2.3 Waste Management	102	
	306-4 Waste diverted from disposal	5.1.2.3 Waste Management	102	
	306-5 Waste directed to disposal	5.1.2.3 Waste Management	102	
Compliance and Money Laundering Prevention				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 1.1.3 Three Sustainability Commitments and SDGs 2.2.1.3 Legal Compliance 2.2.2 Financial Crime Prevention - Anti-Money Laundering, Terrorism Financing Countering and Financing of Proliferation	5 25 38 38	●
Digital Financial Innovation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 3.3.1 Smart Financial Innovation 3.3.3 Digital Service Promotion Results	5 79 82	●
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	3.3.2 Smart Financial Innovation Services	80	●
	203-2 Significant indirect economic impacts	3.3.3 Digital Service Promotion Results	82	
Financial Service Quality				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 3.4 Customer Relations	5 82	●
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.4.1 Principle for Financial Service Industries to Treat Customers Fairly	82	●
	417-2 Incidents of non-compliance concerning product and service information and labeling	3.4.1.2 Communication of Product Information	83	
	417-3 Incidents of non-compliance concerning marketing communications	2.2.4 Material Violations and Improvement Measures 3.4.1.2 Communication of Product Information	40 83	

GRI Standards	Disclosure Item	Referring Chapter	Page	Verified
Important Topics				
Protection of Shareholders' Rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics Special Chapter 1 Business Strategy and Performance	5 15	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Special Chapter 1 Business Strategy and Performance (Net Revenues, Payments to providers of capital) 2.2.3 Tax Policy(Income Tax Paid) 4 Fulfillment of Healthy Workplace(Employee wages and benefits) 5.2.2 Local and Green Procurement Results(Spending on local suppliers) 6.1.2 Social Involvement Investment Overview(Community investments)	15 40 86 105 108	●
	201-4 Financial assistance received from government	No financial assistance received from government 2.1.2 Shareholding Structure	- 34	
G4-Financial Services Sector Supplement: Product Portfolio	G4-FS6 Percentage of the portfolio for business line by specific region, size and by sector	Special Chapter 1 Business Strategy and Performance	15	
Talent Cultivation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 4.2.2 Talent Cultivation	5 89	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.2.2 Talent Cultivation	89	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.2.3 Diverse Performance Appraisal	92	
Supplier Co-prosperity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 5.2.1 Sustainable Supply Chain Management	5 103	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	5.2.2 Local and Green Procurement Results	105	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.2.1 Sustainable Supply Chain Management	103	
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 4.4.3 Occupational Health and Safety	5 95	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.4.3 Occupational Health and Safety	95	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4.3 Occupational Health and Safety	95	
	403-3 Occupational health services	4.4.3 Occupational Health and Safety	95	
	403-5 Worker training on occupational health and safety	Appendix 1: Other ESG Data-Human Resource Management	117	

GRI Standards	Disclosure Item	Referring Chapter	Page	Verified
Operational Resilience				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 2.3.4.2 Operational Resilience	5 45	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	2.3.4.2 Operational Resilience	45	●
Corporate Human Rights and Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of Stakeholders and Material Topics 2.3.7 Human Rights Risk Identification and Management 4.4.3.3 Workplace Equality and Anti-Discrimination	5 52 96	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1.1 Diversity in Employee Structure Appendix 1: Other ESG Data-Human Resource Management Indicators	87 117	●
	405-2 Ratio of basic salary and remuneration of women to men	4.3.1 Compensation System	93	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.4.2 Employee Communication 4.4.3.3 Workplace Equality and Anti-Discrimination	94 96	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.3.7 Human Rights Risk Identification and Management 4.4.1 Harmonious Labor-Management Relations 5.2.1 Sustainable Supply Chain Management	52 94 103	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.2.1 Sustainable Supply Chain Management	103	
Competitive Compensation and Benefits				
GRI 3: Material Topics 2021	3-3 Management of material topics	4.3.1 Compensation System	93	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	4.3.3 Senior Employee Rewards and Retirement System	93	●
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4.3.1 Compensation System	93	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.2 Benefit System	93	
	401-3 Parental leave	4.3.2 Benefit System	93	
Corporate Citizenship and Philanthropy				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1 Social Involvement Strategies and Investments	108	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	6.1.2 Social Involvement Investment Overview (Community investments)	108	●

GRI Standards	Disclosure Item	Referring Chapter	Page	Verified
Basic Topics				
Enhancing Accessibility of Financial Products and Services				
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	3.2.2 Social Finance	75	●
G4-Financial Services Sector Supplement: Product Portfolio	G4-FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	3.2.2 Social Finance	75	
G4-Financial Services Sector Supplement: Local Communities	G4-FS14 Initiative to improve access to financial services for disadvantaged people	3.2.2 Social Finance	75	
Talent Attraction				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.2.1 Talent Attraction Appendix 1: Other ESG Data-Human Resource Management Indicators	88 117	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1.1 Diversity in Employee Structure Appendix 1: Other ESG Data-Human Resource Management	87 117	●
	405-2 Ratio of basic salary and remuneration of women to men	4.3.1 Compensation System	93	

Appendix 3: Sustainability Accounting Standards Board (SASB VERSION 2023-12) Index

Commercial Bank

Activity Metrics		2023 Results
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	

Item	Personal	Small business (Note 1)
Number of Deposit Accounts	2,286,327	3,191 (Note 2)
Deposit Balance (Note 2)	1,121,250,187,186	26,630,448,096

Note 1 : Small businesses must meet the Ministry of Economic Affairs 's definition of SMEs and the definition of small businesses in the Financial Supervisory Commission 's "Project for Strengthening Domestic Bank Lending to SMEs".

Note 2 : The calculation of deposit accounts in the table above only includes the 3,323 accounts with outstanding loan balances.

FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	

Item	Personal	Small business (Note)	Corporate
Number of Accounts of Loan Outstanding	173,937	3,323	2,090
Value of Loan Outstanding	692,171,302,423	229,355,478,580	453,684,764,609

Note: Small businesses must meet the Ministry of Economic Affairs 's definition of SMEs and the definition of small businesses in the Financial Supervisory Commission 's "Project for Strengthening Domestic Bank Lending to SMEs"

Topic	Accounting Metric		2023 Results
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	In 2023, SinoPac Holdings and its subsidiaries have received 47 cases of customer personal data complaints of which 2 cases came from external organizations (e.g., Financial Ombudsman Institution), 20 cases came from authorities (e.g., Financial Supervisory Commission Banking Bureau), and the remaining 25 cases were made by customers through internal channels (e.g., customer service centers). After internal verification, there were no cases of unlawful collection, processing, or use of customers' personal information, and the number of confirmed cases is zero.
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Please refer to 2.4.2.1 Implementation of Information Security Risk Management 2.4.2.2 Information Security Trends 2.4.2.3 Information Security Management Process and System for more details.
Financial Inclusion & Capacity Building	FN-CB-240a.1/ FN-CB-240a.2	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development (1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Bank SinoPac designs credit products for the needs of small businesses, providing numerous policy loans and financing projects for the development of small businesses. And promote the guarantees provided by the "SME Credit Guarantee Fund of Taiwan," helping small businesses with insufficient collateral to obtain fund, while developing diverse loan services.

Lending Programmes to Promote the Development of Small Businesses	Number of loans		Balance (NTD)	
	Loans	Overdue loans and loans in the collection process	Outstanding amount	Balance of overdue loans and loans in the collection process
Loans to small agriculture-related businesses (Note 1)	33	1	434,206,544	24,529,872
Small Business Loans (Note 2)	3,323	16	229,355,478,580	310,765,517

Item	Number of loans		Balance (NTD)	
	Loans	Overdue loans and loans in the collection process	Loans	Overdue loans and loans in the collection process
Community Development Related Loans (Note 3)	110	0	21,376,347,153	0

Note 1 : Small agriculture-related businesses: SMEs according to the Ministry of Economic Affairs "Standards for Identifying Small and Medium-sized Enterprises" that also meet the definition of small businesses and startups in the"5+2 Innovative Industries Plan"of the government.

Note 2 : Small businesses must meet the Ministry of Economic Affairs' definition of SMEs and the definition of small businesses in the Financial Supervisory Commission's "project for Strengthening Domestic Bank Lending to SMEs."

Note 3 : Community Development Related Loans: The loans are designed for the constructions approved by the competent authorities in accordance with the "Urban Renewal Business Plan" / " Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings."

	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Providing checking accounts is not a common approach for customers in Taiwan compared with other basic financial services such as credit cards. Setting up a checking account requires more supporting documents, such as credit records and deposits for application review due to related regulations. For financial disadvantaged groups, basic financial services such as deposit accounts, ATM cards, digital banks and payment instruments can be obtained more easily, regardless of the individual's identity, social and economic status, and financial conditions. However, some groups, possibly due to the lack of credit records, face difficulties in borrowing from banks. Therefore, Bank SinoPac launched different financial products to certain disadvantaged groups in response to their basic demands for financial services. To create greater availability and equal accessibility of financial services for foreigners, Bank SinoPac provides foreigners with account opening solutions, which, in the end of 2023, offering 14,049 payroll transfer accounts for migrant workers, with 3,925 new accounts and 234 canceled accounts.

Topic	Accounting Metric		2023 Results
Financial Inclusion & Capacity Building	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Inclusive finance focuses on creating a financial environment with equality, providing suitable financial products and services to underprivileged social groups, who have difficulty accessing financial services, and improving the financial literacy of the underprivileged to help them make wise financial decisions. SinoPac Holdings continues to organize events and seminars to improve the financial literacy of underprivileged social groups, and that individuals and companies from different backgrounds can access suitable financial services based on openness, equality, and diversity, thereby realizing the vision for inclusive finance.

Group	Purpose	Number of participants	Total participants
Elderly, persons with disabilities, and their family members	Organized 41 seminars on eldercare trust to promote the concept of property trust for the elderly and the persons with disabilities and their families, or those who need to arrange eldercare trust in advance.	2,072	6,940
Migrant Worker	Organizing briefings on payroll transfers, credit loans, credit card products and services for migrant workers, and also to promote financial knowledge, improving the convenience of financial services for migrant workers, while improving their financial literacy and lowering the risk of them becoming fraud victims.	628	
Student	Providing basic education for finance literacies, as well as creating Talent Optimization Program, Business Mentor Program, and Enterprise Visiting course, SinoPac establishes students' knowledge of finance, employment awareness and choices.	1,597	
Individuals in rural or hard-to-reach areas	Organizing anti-fraud games or action drama for people in rural or hard-to-reach areas to communicate the importance of personal data security and ensure the security of people's assets.	2,643	

Topic	Accounting Metric		2023 Results
Incorporation of Environmental, Social, and Governance Factor in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Please refer to 3.1.2 Responsible Investment and 3.1.3 Responsible Lending
Financed Emissions	FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	
	FN-CB-410b.2	Gross exposure for each industry by asset class	

Industry Group (GICS)	Asset Class				
	Investment		Loans		
	Scope 1 and 2 emissions (tCO_2e)	Investment amount (NT$ million)	Scope 1 and 2 emissions (tCO_2e)	Loans amount (NT$ million)	Undrawn Loan Commitments amount (NT$ million)
Energy	24,481	4,357	34,997	2,740	0
Materials	96,893	6,305	654,924	51,799	3,729
Capital Goods	3,896	7,425	116,109	48,523	4,765
Commercial & Professional Services	16,963	5,190	32,849	29,246	2,489
Transportation	22,306	6,711	58,147	12,439	1,955
Automobiles & Components	28,220	7,677	24,889	7,669	1,760
Consumer Durables & Apparel	8,455	4,262	165,963	41,860	1,453
Consumer Services	830	649	4,435	8,919	518
Consumer Discretionary Distribution & Retail	293	1,248	22,939	34,096	660
Consumer Staples Distribution & Retail	175	371	9,505	8,657	404
Food, Beverage & Tobacco	2,680	2,942	12,986	15,494	1,379
Household & Personal Products	0	0	3,565	991	0

Industry Group (GICS)	Asset Class				
	Investment		Loans		
	Scope 1 and 2 emissions (tCO_2e)	Investment amount (NT$ million)	Scope 1 and 2 emissions (tCO_2e)	Loans amount (NT$ million)	Undrawn Loan Commitments amount (NT$ million)
Health Care Equipment & Services	676	5,323	2,053	8,347	673
Pharmaceuticals, Biotechnology & Life Sciences	367	1,618	1,158	1,181	245
Banks	2,462	158,603	118	7,169	0
Financial Services	1,884	23,106	33,895	51,331	3,780
Insurance	54	2,817	0	0	0
Software & Services	955	2,053	3,397	4,578	815
Technology Hardware & Equipment	32,082	20,850	115,264	51,622	5,070
Semiconductors & Semiconductor Equipment	22,718	17,056	18,792	7,461	544
Telecommunication Services	7,026	8,599	3,671	3,655	0
Media & Entertainment	398	1,259	6,431	10,321	301
Utilities	542,165	14,685	280,999	102,567	946
Real Estate Management & Development	377	1,319	9,734	97,068	14,712

Topic	Accounting Metric		2023 Results
Financed Emissions	FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	Gross investment exposure included in the financed emissions calculation counts for 36.71% of the total investment balance, and gross loans exposure included in the financed emissions calculation counts for 41.84% of the total financing balance.
	FN-CB-410b.4	Description of the methodology used to calculate financed emissions	Investment and Financing: Carbon Inventory of Financed Emissions adopted the "Financed Emissions: The Global GHG Accounting and Reporting Standard Part A" methodology published by the Partnership for Carbon Accounting Financials (PCAF) on December 30, 2022 and the "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks" published by the Bankers Association of the R.O.C. in October 2023. The scope of the carbon inventory of the investment and lending portfolios with own capital included assets such as listed/unlisted equity, corporate bonds, sovereign debt, business loans, project finance, commercial real estate, mortgages, and motor vehicle loans. For details, please refer to 2.3.5.5 Carbon Inventory of Scope 3 Financed Emissions or 2023 Climate and Nature-Related Financial Disclosures Report.

Topic	Accounting Metric		2023 Results
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	In 2023, SinoPac Holdings did not have any monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, and malpractice. There were, however, 7 cases of material breach of regulations, including failure to establish a mechanism for communicating with the substantial shareholders, events about senior executives of Bank SinoPac having provided information, reported or requested the substantial shareholder to assist in litigation matters and errors in the handling of structured products for offshore clients. There were totally 7 cases of errors and fines totaling $13.24 million. For details of the above major violations and improvement measures, please refer to 2.2.4 Major Violations and Improvement Measures and pages 96-97 of the annual report of SinoPac Holdings.
	FN-CB-510a.2	Description of whistleblower policies and procedures	SinoPac Holdings' "Whistleblowing Policy" provides clear regulations on the whistleblowing system for internal and external whistleblowers. The Company announced the whistleblowing channels on the official websites and regularly organizes promotion and training on the whistleblowing system to encourage internal and external stakeholders to report unethical or inappropriate conduct.
Systemic Risk Management	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	Please refer to 2.3.3 Credit, Market, Operation, and Liquidity Risk Management

Consumer Finance

Activity Metric		2023 Results
FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	

Item	Credit Card	Debit Card
Cumulative number of accounts	1,658,734	1,099,670

FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	

Item	Credit Card	Debit Card
Number of card accounts in force	2,210,479	1,144,669

Topic	Accounting Metric		2023 Results
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	

Item	Number
Number of account holders whose information is used for secondary purposes (Note 1)	3,301,505

Note 1: Used for purposes other than the original purpose for the collection of the data. For example: Use in product marketing and promotion.

	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	In 2023, SinoPac Holdings was not involved in any disputes on customer privacy and thus the total amount of monetary losses as a result of legal proceedings associated with customer privacy was zero.

Topic	Accounting Metric		2023 Results
Data Security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	In 2023, SinoPac Holdings and its subsidiaries have received 47 cases of customer personal data complaints of which 2 cases came from external organizations (e.g., Financial Ombudsman Institution), 20 cases came from authorities (e.g., Financial Supervisory Commission Banking Bureau), and the remaining 25 cases were made by customers through internal channels (e.g., customer service centers). After internal verification, there were no cases of unlawful collection, processing, or use of customers' personal information, and the number of confirmed cases is zero.
	FN-CF-230a.2	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	

Transaction Type (Note 1)	Number of Fraud Cases	Total Amount of Losses (NT$10,000) (Note 4)
Card-Not-Present (Note 2)	1,855	451.74
Card-Present (Note 3)	174	421.22
Other	2	1.19

Note 1 : The scope of disclosure includes the amount of losses from all credit card fraud causes that the Bank is responsible for, such as revolving credit card, debit card, and pre-paid debit card.
Note 2 : Defined as non-face-to-face transactions (Internet, telephone, e-mail, etc.) with merchants using the CVC on credit cards or the cardholder's address.
Note 3 : Defined as face-to-face transactions with merchants using credit cards or other payment tools.
Note 4 : The amount of losses includes: (1) The amount returned to the credit card/account holder; (2) The amount that needs to be returned to the merchant or other banks after verifying that it is a fraud case.

	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Same as FN-CB-230a.2 in Commercial Bank
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Bank SinoPac provides a transparent and fair remuneration system and established internal "Work Rule" and "Standards for Employee Salaries and Allowances, Overtime Payments, Awards" according to the "Principles for the Remuneration System of Banks for Sales Personnel" of the Bankers Association of the Republic of China and specified the remuneration management policy in the rules and standards. Consumer banking products provided by Bank SinoPac mainly include credit loans and credit cards. Due to the different attributes and channels of each product, Bank SinoPac hires full-time employees for the promotion and sales of various products and established different rewards programs and rules for full-time sales personnel of each product. This ensures that the incentive regulations match their competencies and performance goals, reflect on their sales performance, and also gives consideration to fairness. Bank SinoPac also designed non-financial indicators linked to remuneration. Sales personnel must reach sales goals and pass evaluations of non-financial indicators (including customer complaints, NPL ratio, audit deficiencies, and whether or not KYC was properly carried out) to receive sales bonuses. Bank SinoPac also established deferral of bonus and clawback mechanisms in each Business Incentive Program if violation of rules occurs. This ensures that risks are effectively controlled when pursuing business and profit growth and protects the rights and interests of consumers.

Employee category (Note)	Percentage of remuneration linked to the amount of products and services sold
Full-time Sales Personnel	15.73~59.20

Note : The scope of employees include all those who were still employed as of 2023/12/31, directly selling products or services to customers or potential customers, and their remuneration is linked to their sales goals.

	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants	

Item	Approval Rate (%) (Note 1) (Note 2)
Car loan	0
Credit loan	75.07
Credit cards	87.93

Note 1 : Approval rate: Number of applications approved in the credit category/Total number of applications received in the credit category.
Note 2 : The scope of disclosure is 2023. No new car loan business since 2023.

	FN-CF-270a.3	(1) Average fees from add-on products, (2) Average APR of credit products, (3) Average age of credit products, (4) Average number of credit accounts, (5) Average annual fees for pre-paid products	

Item	Car loan	Credit loan	Credit cards
Average Annual Percentage Rate (APR) (Note 1)	2.22	4.09	8.89
Average Age of Accounts in Months (Note 2)	31.37	21.06	82.88
Average Number of Trade Lines (Note 3)	1.80	1.10	1.33

Note 1 : Average annual percentage rate is calculated using the interest rate on December 31, 2023.
Note 2 : The average age of each effective account from the date it was opened to the end of 2023 (calculated in months, e.g., The average period is 15 months).
Note 3 : The total number of accounts held by customers in the credit category/The total number of customers in the credit category.
Note 4 : SinoPac Holdings does not provide add-on products and therefore does not have related expenses.

	FN-CF-270a.4	(1) Number of customer complaints filed, (2) percentage with monetary or non-monetary relief	

Item	2023
The competent authority's statistics of customer dispute and complaint cases (Note 1)(Note 2)(Note 3)	126
Percentage of applications for ombudsman service in which mediation was successful	15%

Note 1 : The competent authority includes Banking Bureau, Insurance Bureau, Financial Ombudsman Institution.
Note 2 : Clients and customers are defined as natural persons, excluding investment institutions or juridical persons.
Note 3 : The data coverage includes car loan, credit loan, and credit card provided by Bank SinoPac.

	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	In 2023, the total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products were NT$ 3.24 million. Please refer to 2.2.4 Material Violations and Improvement Measures and 2023 Annual Report p.64-65 for details.

Mortgage Finance

Activity Metric		2023 Results
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	
FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	This indicator is not applicable since SinoPac Holdings does not purchase any commercial real estate mortgage securities.

Item	Number	Value of Mortgages (in NT$)
Residential Mortgages (Note 1)	72,711	531,266,273,228
Commercial Mortgages (Note 2)	17,048	219,864,096,609

Note 1 : Residential Mortgages: According to the reporting items of the Financial Soundness Indicators of the competent authority and the loan items coded by the Joint Credit Information Center as 25 (residential), the data scope covers retail and corporate finance business.

Note 2 : Commercial Mortgages: According to the reporting items of the Financial Soundness Indicators of the competent authority and the loan items coded by the Joint Credit Information Center as 26 (factory), 28 (factory), 2A (commercial), and 2B (commercial), the data scope covers retail and corporate finance business.

Topic	Accounting Metric		2023 Results
Lending Practices	FN-MF-270a.1	(1) Number and (2) value of residential mortgages of the following types: (a) combined fixed- and variable-rate, (b) prepayment penalty, and (c) total	
	FN-MF-270a.2	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure	
	FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	In 2023, the total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators was zero.

Item	Number of Mortgages	Value of Mortgages (in NT$)
Combined Fixed- and Variable-Rate Mortgages (Note 1)	11,316	148,971,869,156
Prepayment Penalty (Note 2)	21,580	205,133,571,562
Residential Mortgages	72,001	507,398,184,901

Note 1 : Combined Fixed- and Variable-Rate Mortgages: Loans with grace period and at nominal interest rate.

Note 2 : Prepayment Penalty: Residential Mortgages with deadline of prepayment by December 31, 2023.

Item (Note 1)	Number of Mortgages (Note 2)	Value of Mortgages (in NT$) (Note 3)
Residential mortgage modifications	1,704	27,222,606,423
Foreclosures	20	152,819,546
Short sales or deeds in lieu of foreclosure	0	0

Note 1 : Residential mortgage modifications include first mortgages and junior lien.

Note 2 : Number of Mortgages is calculated by the number of accounts.

Note 3 : Value of Mortgages: calculated by mortgage balance by December 31, 2023.

Topic	Accounting Metric		2023 Results
Lending Practices	FN-MF-270a.4	Description of remuneration structure of loan originators	**The Policies and Objectives of Bank SinoPac** • Remuneration Policy SinoPac Holdings established the Remuneration Committee to regularly review the remuneration management policy. Bank SinoPac also established internal "Work Rule" and "Standards for Employee Salaries and Allowances, Overtime Payments, Awards". To attract and retain talents and support the high-performance culture of the Company, we actively participate in the global market salary survey every year, and apply the comprehensive consideration of the company's operating performance, personal performance and external market salary to salary adjustment planning to ensure that the salary level is market-competitive, forming a virtuous circle of motivating colleagues, increasing profits, and sharing results. We also established the deferred bonus plan according to the "Principles for the Remuneration System of Banks for Sales Personnel". • Performance Targets and Measurement The remuneration policy not only considers the balance between compensation and performance, but also introduces non-financial metrics for evaluation, including the achievement rate of business, personal development, team management, compliance with laws and regulations, and corporate governance. **Mortgage Sales** • Compensation Policy and Structure Bank SinoPac has established the "Business Incentive Program" for mortgage sales, which requires sales to meet a threshold and pass an evaluation of non-financial indicators to receive bonus. The salary of mortgage sales consists of fixed pay and variable pay, and the variable pay is linked to the location, value, and interest rate of loan. • Performance Targets and Metrics → Financial Indictors: Value of mortgage loans, interest rate of loans. → Non-Financial Indictors: customer complaints, NPL ratio, audit deficiencies, lending regulation, sales discipline, education and training. **Telemarketing Mortgage Sales Personnel (Digital Service Personnel)** • Compensation Policy and Structure Bank SinoPac has established the business incentive plan for telemarketing mortgage sales and applies the deferred bonus plan in accordance with the "Principles for the Remuneration System of Banks for Sales Personnel." The salary of mortgage sales consists of fixed pay and variable pay, and the variable pay is positively related to the number of mortgage loans and handling fees. • Performance Targets and Metrics → Financial Indictors: Number of monthly loans appropriations. → Non-Financial Indictors: Compliance with internal and external regulations, rigorous KYC process, NPL ratio, audit deficiencies in medium and high risk, customer complaints, and serious non-compliance cases.
Discriminatory Lending	FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average loan-to-value ratio of mortgages issued to (a) minority and (b) all other borrowers	

Item	Minority Borrowers (Note 1)	Other Borrowers (Note 2)
Number of loans	77	71,924
Value of loans	975,381,029	506,422,803,872
Weighted average Loan-to-Value (LTV) ratio of mortgages (Note 3)	55.87%	63.92%

Note 1 : Minority borrowers: foreigners.
Note 2 : Other Borrowers: citizens of Taiwan.
Note 3 : Weighted average Loan-to-Value (LTV) ratio of mortgages: loan-to-value ratio.

	FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	SinoPac Holdings has not been involved in any discriminatory mortgage lending incidents in 2023 and thus the total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending was zero.
	FN-MF-270b.3	Description of policies and procedures for ensuring non-discriminatory mortgage origination	In the mortgage origination procedures of Bank SinoPac, the criteria of examination are occupation, income, and credit record. All the clients are treated equally, regardless of gender, race, socio-economic status, age, marriage, language, religion, party affiliation, nationality, appearance, family status, sexual orientation, or physical or mental disabilities. To eliminate discriminatory mortgage, SinoPac Holdings regularly provides education and training for the credit officers in compliance with laws and regulations to strengthen the anti-discrimination awareness.

Topic	Accounting Metric		2023 Results
Environmental Risk to Mortgaged Properties	FN-MF-450a.1	1) Number and (2) value of mortgage loans in 100-year flood zones	SinoPac Holdings conducts climate scenario analysis to assess potential climate risks that the collaterals are exposed to under different scenarios for credit risk management in mortgage portfolio.
	FN-MF-450a.2	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region	To accurately monitor the expected loss evaluations for climate risks, SinoPac Holdings identified mortgage loans in 100-year flood zones. SinoPac Holdings also identified real estate collaterals with high climate sensitivity risk and evaluated the expected losses and Loss Given Default (LGD) to better implement credit risk management in mortgage portfolio.
	FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	In the appraisal process, Bank SinoPac classifies collaterals into A, B, C level according to their convenience and accessibility, market acceptance, and so on. During the on-site surveys and market investigations, it will further take into account environmental factors (such as flooding risk and security risk). High-Risk collaterals are differentiated from regular collaterals and listed as non-target, which requires further review by the credit management division. When reviewing a case, the loan ratio is classified according to the collateral area. The loan ratio should be reduced by 5% to 20% compared with regular cases.

Item (Note 1)	2023	
Mortgaged properties in 100-year flood zones (Note 2)	Number	Value (Note 3)
Scenario 1: Heavy rainfall and floods (RCP8.5)	65,132	498,476,702,770
Scenario 2: By mid-century _ Rising sea levels (RCP2.6)	2,381	19,510,888,031
Scenario 3: By the end of century_ Rising sea levels (RCP2.6)	3,125	24,162,978,783
Scenario 4: By mid-century _ Rising sea levels (RCP4.5)	4,819	40,248,390,354
Scenario 5: By the end of century_ Rising sea levels (RCP4.5)	5,890	47,327,572,643
Scenario 6: By mid-century _ Rising sea levels (RCP8.5)	5,492	44,557,291,268
Scenario 7: By the end of century_ Rising sea levels (RCP8.5)	6,223	49,634,241,014

Note 1 : The scenario analysis is based on real estate mortgages located in the island Taiwan, excluding collaterals in offshore islands.

Note 2 : Scenario Setting:

1. Heavy rainfall and floods: The analysis was conducted in accordance with the latest version (2020) of the "Climate Change Flood Risk Map Version 3 (only RCP 8.5 was provided)" of the National Science and Technology Center for Disaster Reduction, and calculations of the potential flooding areas and severity of flooding were made based on a daily rainfall of more than 650mm/day in the mid-century (2036-2065). The analysis was mapped out on a 5km grid scale using the QGIS. The NCDR level is divided into 5 levels (Level 1~Level 5), and the number and value of Level 5 mortgaged properties are screened in this scenario.
2. Rising sea levels: The analysis was based on the Climate Central Coastal Risk Screening Tool developed by Climate Central of the United States according to the "Probabilistic 21st and 22nd century sea-level projections at a global network of tide-gauge sites" published by Kopp et al., 2014 in the international academic journal Earth's Future and was mapped out by using the QGIS.

Note 3 : Amount: the sum of allocated mortgage

Item	2023	
Mortgaged properties in 100-year flood zones with high-risk climate sensitivity (Note 1)	Total expected loss (Note 2)	Loss Given Default (LGD) (Note 3)
Scenario 1: Heavy rainfall and floods (RCP8.5)	109,644,838	38.08%
Scenario 2: By mid-century _ Rising sea levels (RCP2.6)	22,999,744	39.24%
Scenario 3: By the end of century_ Rising sea levels (RCP2.6)	30,488,487	39.74%
Scenario 4: By mid-century _ Rising sea levels (RCP4.5)	46,219,526	39.36%
Scenario 5: By the end of century_ Rising sea levels (RCP4.5)	56,126,002	39.85%
Scenario 6: By mid-century _ Rising sea levels (RCP8.5)	68,880,415	39.36%
Scenario 7: By the end of century_ Rising sea levels (RCP8.5)	78,007,441	39.84%

Note 1 : Mortgage finance with high climate sensitivity risk: After screening mortgage loan for properties in 100-year flood zones based on the SASB scope, the Company considers the vulnerability of real estate collaterals based on the impact on value (including floor, special collaterals, and the location of the property). We assess the exposure (loan-to-value ratio, LTV) under different climate scenarios and identify high-risk mortgage loans based on the climate sensitivity.

Note 2 : Total expected loss: It is calculated based on the advanced approach specified in the "Domestic Bank Climate-Related Risk Management Practice Handbook". We adopt the Probability of Default (PD) based on internal credit ratings of borrowers and incorporated the loss given default (LGD) estimation method specified in the "Domestic Bank Climate Change Scenario Analysis Report" to evaluate the expected losses of real property collateral loans at specific time points under different RCP scenarios. They were classified as high-risk based on the climate sensitivity.

Note 3 : Loss Given Default (LGD): The LGD is calculated as the weighted average of the loss given default (LGD) based on the balance of the collateral.

Investment Banking & Brokerage

Disclose SinoPac Securities Corp. and its subsidiaries (including SinoPac Futures Corp., SinoPac Securities Investment Service Corp., SinoPac Securities Venture Capital Corp., SinoPac Financial Consulting (Shanghai) Ltd., SinoPac Securities (Cayman) Holdings Ltd., SinoPac Securities (Europe) Ltd., SinoPac Asset Management (Asia) Ltd., SinoPac Securities (Asia) Ltd., SinoPac Capital (Asia) Ltd., SinoPac Solutions and Services Ltd., SinoPac (Asia) Nominees Ltd..)

Activity metrics		2023 Results
FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c)securitization transactions	

Business type (Note)	Number of transactions	Total Amount of Losses (NT$)
Underwriting	130	240,000,293
Advisory	138	108,063,236

Note: SinoPac Securities did not engage in securitization transactions.

Activity metrics		2023 Results
FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	

Proprietary investment (Note 1) (Note 2)			
No	The Global Industry Classification Standard (GICS)	Number of transactions	Total Amount of Losses (NT$)
1	Financial Services	418	23,132,036,207
2	Banks	186	16,917,969,871
3	Technology Hardware & Equipment	751	11,730,057,710
4	Semiconductors & Semiconductor Equipment	363	6,748,781,312
5	Materials	233	4,033,881,580
6	Consumer Durables & Apparel	181	2,556,046,111
7	Capital Goods	239	1,987,999,380
8	Telecommunication Services	14	1,579,666,878
9	Automobiles & Components	78	1,229,562,599
10	Utilities	15	1,038,323,150
11	Transportation	67	1,001,082,432
12	Pharmaceuticals, Biotechnology & Life Sciences	78	915,408,677
13	Commercial & Professional Services	52	875,722,304
14	Food, Beverage & Tobacco	37	867,102,413
15	Real Estate Management & Development	51	570,714,541
16	Consumer Staples Distribution & Retail	33	525,395,574
17	Energy	16	502,062,577
18	Consumer Staples Distribution & Retail	32	371,473,709
19	Consumer Services	31	276,902,519
20	Software & Services	48	271,478,877
21	Health Care Equipment & Services	48	198,009,250
22	Insurance	11	105,995,249
23	Media & Entertainment	16	23,287,443
24	Household & Personal Supplies	1	115,400
	Total amount	**2,999**	**77,459,075,761**

Note 1 : SinoPac Securities did not engage in proprietary loans.

Note 2 : The scope of proprietary trading investments only includes asset classes that can be differentiated based on the level of the underlying (stocks, bonds, and other securities).

Activity metrics		2023 Results
FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	

Business type (Note)	Number of transactions	Total Amount of Losses (NT$)
Stocks - stocks	2,530	1,379,741,800
Stocks - emerging stocks	14,076	18,264,114,016
Stocks - ETF	104,963	563,503,267,231
Derivatives - options	614	96,270,690
Derivatives - warrants	340,996	93,262,748,940

Note: SinoPac Securities did not engage in fixed-income, currency, or commodity products market making transactions.

Topic	Accounting Metric		2023 Results
Employee Diversity & Inclusion	FN-IB-330a.1 (1)	Percentage of gender for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	

Item	2023		
	Male (%)	Female (%)	Undisclosed (%)
Senior management personnel (Note 1)	79.2	20.8	0
Junior and middle management personnel (Note 2)	54.4	45.6	0
Professionals (Note 3)	38.3	61.7	0
All other employees	34.8	65.2	0

Note 1 : Supervisors ranked job grade 10 (inclusive) or above in SinoPac Holdings.

Note 2 : Middle management personnel and supervisors ranked job grade 8-9 (inclusive) in SinoPac Holdings; junior management personnel ranked job grade 7 in SinoPac Holdings (including the highest-ranking executives and acting highest-ranking executives of units with a rank of lower than job grade 7).

Note 3 : Including positions in SinoPac Securities that require professional licenses; researchers and engineers of the Digital Finance Division and Information Technology Division; health service personnel of the Human Resources Dept ; auditors of the Audit Division.

FN-IB-330a.1 (2)

Percentage of diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees

Item	people with disabilities (%) (Note)	Indigenous peoples (%)
Senior management personnel	4.2	0
Junior and middle management personnel	0.7	0
Professionals	0.9	0.1
All other employees	0.9	0

Note: The number of employees with disabilities was calculated following the People with Disabilities Rights Protection Act.

FN-IB-330a.1 (3)

Hiring Policies and Programmes for fostering equitable employee representation

Please refer to 4.1.1 Diversity in Employee Structure of the sustainability report of SinoPac Securities.

Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities

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

Underwriting (Note)			
Rank	Industry	Revenue (NT$)	Percentage of overall revenue from underwriting (%)
1	Household Durables	39,561,280	16.48%
2	Electronic Equipment, Instruments & Components	29,304,121	12.21%
3	Metals & Mining	24,571,435	10.24%
4	Technology Hardware, Storage & Peripherals	21,259,616	8.86%
5	Semiconductors & Semiconductor Equipment	21,107,404	8.79%
6	Banks	17,021,480	7.09%
7	Financial Services	14,368,459	5.99%
8	Electric Utilities (Non-Renewable)	12,896,029	5.37%
9	Machinery	10,929,732	4.55%
10	Automobile Components	8,808,607	3.67%
11	Aerospace & Defense	8,538,624	3.56%
12	Marine Transportation	7,255,838	3.02%
13	Real Estate Management & Development	5,445,871	2.27%
14	Hotels, Restaurants & Leisure	5,034,200	2.10%
Total amount		**226,102,696**	**94.21%**

Advisory			
Rank	Industry	Revenue (NT$)	Percentage of overall revenue from advisory (%)
1	Electronic Equipment, Instruments & Components	21,494,467	19.89%
2	Metals & Mining	9,590,300	8.87%
3	Household Durables	8,046,680	7.45%
4	Hotels, Restaurants & Leisure	7,974,200	7.38%
5	Pharmaceuticals	7,712,900	7.14%
6	Semiconductors & Semiconductor Equipment	5,811,160	5.38%
7	Automobile Components	5,030,000	4.65%
8	Financial Services	5,010,700	4.64%
9	Machinery	4,668,720	4.32%
10	Real Estate Management & Development	4,620,000	4.28%
11	Marine Transportation	4,556,400	4.22%
12	Health Care Equipment & Supplies	3,548,500	3.28%
13	Aerospace & Defense	3,461,400	3.20%
14	Technology Hardware, Storage & Peripherals	2,494,160	2.31%
Total amount		**94,019,587**	**87.00%**

Note: SinoPac Securities did not engage in securitization transactions.

Topic	Accounting Metric		2023 Results
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	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	

Proprietary investment (Note)

Rank	Industry	Number of transactions	Total Amount of Losses (NT$)	Percentage of overall revenue from securities Proprietary trading investment (%)
1	Banks	40	5,553,739,612	31.52%
2	Capital Market	8	2,009,054,095	11.40%
3	Financial Services	14	2,004,374,721	11.38%
4	Electronic Equipment, Instruments & Components	15	1,023,713,551	5.81%
5	Technology Hardware, Storage & Peripherals	16	994,687,095	5.65%
6	Wireless Telecommunication Services	4	952,801,852	5.41%
7	Semiconductors & Semiconductor Equipment	16	924,782,138	5.25%
8	Chemicals	8	621,752,009	3.53%
9	Commercial Services & Supplies	10	452,590,963	2.57%
10	Textiles, Apparel & Luxury Goods	6	411,923,196	2.34%
11	Food Products	3	396,299,236	2.25%
Total amount		**140**	**15,345,718,469**	**87.09%**

Note: SinoPac Securities did not engage in proprietary loans.

FN-IB-410a.3

Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities

- Underwriting

  In the evaluation and decision-making process for the underwriting of bonds, underwriting of listed stocks, and fundraising business, we avoid undertaking controversial industries or enterprises, and carefully evaluate investments in high-risk and sensitive industries or enterprises/sensitive economic activities. We establish an exception management process with enhanced analysis and explanation, elevation of the approval authority, limit the percentage of investment positions, or active implementation of shareholder activism. In the process of providing assistance for underwriting of listed stocks, we implement customer due diligence and know your customer (CDD/KYC) procedures in accordance with the listing review criteria as well as the assessment and verification procedures set by the competent authority. We also include ESG factors such as corporate governance, major labor disputes, and major environmental pollution in the evaluation items.

- Advisory

  In the evaluation and decision-making process for the advisory services, we avoid controversial industries or enterprises, and carefully evaluate investments in high-risk and sensitive industries or enterprises/sensitive economic activities. We establish an exception management process with enhanced analysis and explanation, elevation of the approval authority, limit the percentage of investment positions, or active shareholder activism.

- Proprietary Investments

  The Sustainable Development Promotion Team of SinoPac Securities established a Customer Relations Task Force, to take charge of the development of ESG products and services, implementation of responsible investment, and continuous improvements of responsible investment policies. SinoPac Securities established its "Responsible Investment Management Guidelines" in 2019 with reference to the United Nations' "Principles for Responsible Investment" and "Stewardship Principles for Institutional Investors" based on the "Responsible Investment Management Guidelines" of SinoPac Holdings. The Guidelines are used as guidance for implementing "responsible investment" and the scope includes investments with proprietary funds, investments in securities, and asset management.

  The investment process includes the following indicators, and ESG factors are incorporated into the overall risk assessment:

  1. Reference the ESG rating mechanism of professional institutions.
  2. Inspect whether the investee is part of a controversial or sensitive industry/sensitive economic activity. If it is a controversial industry, investments shall be prohibited; if it is a sensitive industry/sensitive economic activity, investments shall be carefully evaluated.
  3. Conduct company visits and reference related information in the "Annual Corporate Governance Evaluation" organized by Taiwan Stock Exchange, Taipei Exchange, and Securities & Futures Institute, as well as the "ESG IR Platform" of the Taiwan Depository & Clearing Corporation.
  4. Continuously monitor and regularly check whether investees have adequately disclosed information on their ESG issues.

- Incorporation of ESG factors in supervision

  We evaluate the risks of each asset class separately and continuously monitor ESG risks in the investment decision-making process. We also incorporate ESG factors into investment reviews in the internal control system, and we report to the status of ESG-related investments and other key control points to the Board of Directors at least once every six months to maintain the three lines of defense.

- Scenario analysis and ESG risk assessment

  SinoPac Securities assesses the impact on operational strategies, products, and financial planning based on scenario analysis and financial quantification of climate risks. The physical risks for sea level rise scenario (RCP2.6, RCP4.5, and RCP8.5), heavy rainfall and floods scenario (RCP8.5), and droughts scenario(RCP 2.6, RCP 8.5) were analyzed. Transition risk is analyzed using the NGFS (Below 2°C and 1.5°C) and IEA (Below 2°C and 1.5°C) projected carbon price scenarios.

Topic	Accounting Metric		2023 Results
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	**FN-IB-410a.3**	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	• Impact of ESG Trends on the Industry SinoPac Securities closely monitors the impact of ESG trends on the industry, including the impact and influence of climate change issues on investees. The carbon tax levy in the "Climate Change Response Act" in Taiwan will create significant impact on the cement, steel, aluminum, fertilizer, semiconductor, and power generation industries. In terms of long-term changes, the steel , cement and semiconductor industries, which account for the largest share of Taiwan's carbon emissions, will bear the brunt of the impact. In addition, apart from causing significant losses in the agricultural sector, the shortage of water resources will also have an impact on the entire industry. The garment, energy, chemical, pharmaceutical and mining industries are also industries with a greater demand for water resources. • Significant Concentration of Risk of ESG Factors - High Carbon Emission Industries SinoPac Securities has established the "High Carbon Emission Industry Assessment Guidelines" for industries with high carbon emissions to assess the carbon emissions of the oil and gas industry, thermal power generation industry, cement and concrete manufacturing industry, iron, steel, and other metal manufacturing industries. The percentage of investments in industries with high carbon emissions in the balance of proprietary investments as of the end of the year was 4.51% in 2023. • Integration of ESG factors into issues - Climate risk/event-related factors are integrated into microeconomic factors or investment control assessments Considering that investment targets are affected by carbon-fee, heavy rainfall and flooding, drought, etc., which will impact their financial condition and operating results, SinoPac measures TCFD climate-related risks as an investment consideration. In terms of physical risks, the Company evaluates the physical risks of individual targets, such as the risks of sea level rise and heavy rainfall and flooding, prior to investing in the shares of OCI and examines the abnormalities of the company's location in the holdings on a yearly basis. For OCI bonds, the total amount of investment targets with high physical risk will be determined to account for the maximum amount of OCI's total authorization, and the physical risk level of the targets will be reviewed before investment. In terms of restructuring risk, the portfolio of OCI's investment in industries with high carbon emission risk will be reviewed regularly every year. In terms of transition risk, OCI regularly reviews the proportion of investments in high-carbon emission risk industries in the OCI's portfolio to the total authorization each year ,and plans to reduce the proportion of investments in high-carbon emission risk industries year by year.
Business Ethics	**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 2023, SinoPac Securities did not have any 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.
	FN-IB-510a.2	Description of whistleblower policies and procedures	SinoPac Securities has formulated "Whistleblowing Policy" and set up a whistleblower channel, which is posted on the Company's website, designating the Legal & Compliance Division as the unit for receiving whistleblower cases and the Audit Division as the unit for investigating whistleblower cases. The Regulations define and protect whistleblowers, the procedures for receiving whistleblower cases, the procedures for investigating whistleblower cases, and based on the results of the investigations, decide to adopt appropriate internal and external procedures to handle the subsequent matters. There were no related legal proceedings in 2023.
Professional Integrity	**FN-IB-510b.1**	(1) Number and (2) percentage of licensed employees and identified decision-makers (Note 1) with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings (Note 2)	Number of covered employees: 9 Percentage of covered employees: 0.44% Note 1 : • Definition of licensed employees: 2,040 registered salespersons, 1,934 employees minus 106 executives higher than department head. • Definition of identified decision-makers: 106 executives higher than department head (insider). Note 2 : Based on confirmed external investigations, customer complaints (e.g., Financial Ombudsman Institution and the competent authority FSC) and litigation cases related to transactions, and those determined by the competent authority FSC to be deficient/penalized. SinoPac Securities established the "Work Rules", "Guidelines for Standard Operations of Wealth Management Personnel", "Code of Conduct for Personnel of the Principal Investment & Derivatives Division", " Regulations Governing Sales of Derivative Financial Products by Appointed Traders", and "Guidelines for Management of Personnel Appointed for Trading Offshore Structured Products". It requires all business personnel to complete regular on-the-job training in accordance with the business regulations and organizes internal training from time to time. With regard to failure to comply with regulations or operations, SinoPac Securities requires implicated employees to issue explanations to clarify the reasons for the violation or occurrence and verify the deficiencies in oversight. We also require the unit manager to prepare improvement measures and strengthen oversight and require the business unit to implement support measures such as telephone communication and monthly transaction reviews for customers of specific employees or those with higher transaction amounts.
	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	SinoPac Securities was not involved in mediation and arbitration cases in 2023.
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	SinoPac Securities was not involved in legal proceedings in 2023.
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	• Policies to Ensure Professional Integrity SinoPac Securities has formulated "Work Rules", "Regulations Governing the Appointment and Removal of Managers", "Regulations Governing Concurrent Services of Employees", "Regulations of Insider Trading on the Management of Transactions by Internal Personnel Governance", "Guidelines for Standard Operations of Wealth Management Personnel", "Code of Conduct for Personnel of the Principal Investment & Derivatives Division", "Regulations Governing Sales of Derivative Financial Products by Appointed Traders", "Guidelines for Management of Personnel Appointed for Trading Offshore Structured Products", and "Guidelines for Management of Advertising, Business Solicitation and Business Promotional Activities." These regulations specify that professional integrity should be ensured by requiring personnel to avoid conflicts of interest. • Compliance with regulations on professional integrity practices SinoPac Securities regularly organizes ethical corporate management and whistleblowing system training for compliance and proclamation preventing conflicts of interest and related ethical corporate management regulations, requiring all employees to attend annual ethical corporate management training programs and sign the Ethical Corporate Management Statement. SinoPac Securities also organize self-evaluation for compliance with ethical corporate management, including relevant questions in the annual examination. The ban on the offering and acceptance of commissions is included in both business contracts and other commercial contracts to ensure that there are no violations of professional ethics in the form of the offering and acceptance of bribes in all units.

Topic	Accounting Metric		2023 Results
Systemic Risk Management	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	Please refer to 2.3.3 Risk Categories and Management of the sustainability report of SinoPac Securities.
Employee Incentives & Risk Taking	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	**Percentage of total remuneration that is variable for Material Risk Takers (MRTs) (Note)** 70.43% Note: Individuals assuming material risks refer to senior executives ranked job grade 10 (inclusive) or above in SinoPac Holdings Please refer to 2.1.3.1 Senior Executive Remuneration System. Alignment for the remuneration policy for individuals assuming material risks and the compliance with risk management framework.
	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	SinoPac Securities has not yet adopted advanced risk adjustment mechanisms for the variable remuneration of individuals assuming material risks and has not established a remuneration clawback policy. Therefore, the variable remuneration for individuals assuming material risks as a percentage of total remuneration was 0%.
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	SinoPac Securities established the "Risk Management Policy", "Market Risk Management Policy", and "Rules for the Evaluation and Review Process of Equity Positions in Unlisted Stocks", and " Operational Directions for Using Modelling in Management," which require the fair value assessment of financial products to be processed in accordance with the International Financial Reporting Standards (IFRS). The "Work Rules" also clearly stipulate that staff should strictly comply with the relevant regulations and are linked to staff performance appraisal. Before making each investment, it should be confirmed that the risk management unit has the ability to evaluate the financial products invested, or that evaluation information can be obtained regularly by a third party or a third party. After the investment, the risk management or designated unit should conduct regular evaluations of the financial products. For trading positions, SinoPac Securities evaluates their profit and loss on a daily basis based on market prices. For evaluation models, the pricing model or evaluation system shall be verified by the risk management unit. The Risk Management Department is the entity responsible for independent fair value verification. It uses independent sources of information to ensure that the evaluation results are consistent with market conditions, confirm that the sources are independent, reliable, and consistent with other sources, and indicative of executable prices. It also regularly calibrates the evaluation model, conducts back testing, updates the input values required for the evaluation model, and makes any other necessary fair value adjustments to ensure that the evaluation results are reasonable. For bond-type financial instruments classified by SinoPac Securities as level 3 for which the source of fair value information does not have an observable market liquidity discount factor, if changes in estimated liquidity costs (estimated at 99% confidence based on market price data in the last two years) are included in the estimates, the impact on profit or loss is as follows:

Item	December 31, 2023		December 31, 2022	
	Unfavorable changes	Favorable changes	Unfavorable changes	Favorable changes
Assets **Financial assets at fair value through profit or loss** **Securities operations - foreign-currency bonds**	($87,474)	$87,474	($94,250)	$94,250

Appendix 4: Disclosure Items according to the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

Financial Industry Sustainability Disclosure Metrics

Metrics	Implementation status in 2023	Referring Chapter
Number of data breaches, percentage involving personally identifiable information, and number of account holders affected	In 2023, SinoPac Holdings and its subsidiaries have received 47 cases of customer personal data complaints of which 2 cases came from external organizations (e.g., Financial Ombudsman Institution), 20 cases came from authorities (e.g., Financial Supervisory Commission Banking Bureau), and the remaining 25 cases were made by customers through internal channels (e.g., customer service centers). After internal verification, there were no cases of unlawful collection, processing, or use of customers' personal information, and the number of confirmed cases is zero.	2.5.3 Breach of Privacy
Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities	Loans were provided to 3,323 small business in 2023; the outstanding at the end of the year totaled NT$229.355 billion; the overdue receivables totaled NT$311 million. There were 110 community development loans and the loans outstanding at the end of the year totaled NT$21.376 billion.	3.2.2.2 Small and Medium Enterprises (SMEs)
Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services	We provided financial education for disadvantaged groups that lack access to banking services with a total of 6,940 participants in 2023. The related programs included eldercare trust seminars for the elderly, persons with disabilities, and their family members (2,072 participants), promotion of financial knowledge and related products and services for migrant workers (628 participants), financial literacy coaching program for students (1,597 participants), and awareness campaigns for the importance of anti-fraud and personal data for groups in remote rural areas or those that do not have adequate access to services (2,643 participants), which intended to protect people's property.	Appendix 3: Sustainability Accounting Standards Board (SASB) Index - Financial Inclusion & Capacity Building
Products and services designed by individual operating units to create benefits for the environment or society	SinoPac Holdings supported the "Green Finance Action Plan 3.0" announced by the FSC and the national policy of renewable energy power generation. The Company organized the core businesses of subsidiaries to support the development of the green energy industry (such as solar PV energy generation equipment financing), promote energy conservation and carbon emissions reduction products and services (such as syndicated loan for green building urban renewal, green mortgage and carbon calculator function) that can reduce GHG emissions, and support the development of sustainable agriculture. SinoPac Holdings has always been committed to providing elderly, persons with disabilities and migrant worker with more convenient financial support that meet their needs and building an equitable and complete financial environment. Please refer to the contents in the corresponding chapters of the Report for products and services with environmental benefits and social benefits in 2023.	3.2.1 Green Finance 3.2.2 Social Finance

Climate Change Response Measures

	Item	Implementation status in 2023	Referring Chapter
1	**Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and the management**	SinoPac Holdings has set up the "Sustainable Development Committee" and the "Risk Management Committee" to take charge of supervision and management of critical issues related to sustainable development and climate change. The Chairman of SinoPac Holdings serves as the chairperson of the Sustainable Development Committee, with the President of SinoPac Holdings and the chairmen and presidents of major subsidiaries serving as members. The Committee manages action plans and targets for climate change risks and opportunities, and the implementation status is reported to the Board of Directors every six months. The Chairman of the Company also serves as the chairperson of the Risk Management Committee. An independent director, an external member, the President of SinoPac Holdings and the Chairman of Bank SinoPac serve as members. The Committee manages climate change risks to strengthen climate resilience. SinoPac Holdings incorporated climate change risks into the "Risk Management Policy" and established the "Guidelines for the Management of Climate-Related Risks and Opportunities." The Risk Management Division of SinoPac Holdings discloses the overall climate change risks and the implementation status of related projects in the quarterly Risk Management Report and reports to the Risk Management Committee and the Board of Directors.	2.3.5.1 Climate Governance
2	**Describe how the identified climate risks and opportunities affect the business, strategy, and finances (short, medium, and long-term) of the Company**	SinoPac Holdings identified 6 transition risks, 1 physical risk, and 6 opportunities. For the details of the impact, possible time of occurrence period, potential financial impact, and mitigation and adaptation measures for each climate risk and opportunity event, please refer to the corresponding chapters of the Report and the 2023 Climate and Nature-related Financial Disclosures Report.	2.3.5.2 Climate Strategy
3	**Describe the financial impact of extreme climate events and actions for transformation**	SinoPac Holdings conducted the scenario analysis of the physical risks of extreme weather events such as heavy rainfall and floods, sea level rise, and droughts. Under the scenarios adopted, the expected losses from locations of suppliers' operations, own operation sites and real estate, loan collateral and the corporate clients' plants were calculated, and the potential level of impact on the capital adequacy ratio was classified as low. The scenarios analysis results of transition risks also showed that the potential level of impact to the decline of the capital adequacy ratio was low. For the details of the description of financial impact and scenario analysis methodology and results, please refer to the corresponding chapters of the Report and the 2023 Climate and Nature-related Financial Disclosures Report.	2.3.5.2 Climate Strategy
4	**Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system**	To establish an integrated risk management framework, SinoPac Holdings incorporated climate change risks into the "Risk Management Policy" and formulated the "Guidelines for the Management of Climate-Related Risks and Opportunities". Based on the Guidelines, the Company evaluated the climate-related risks and opportunities of the Group's business; measured the impacts of related risks and opportunities on its finance, business plans and strategies; formulated mitigation and adaptation measures in response to climate change; specified the duties and management mechanisms of climate change risks for each line of defense according to three line of defense in internal control, and then incorporated climate risk management into the businesses.	2.3.5.2 Climate Strategy 2.3.5.3 Climate Risk Management
5	**If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and major financial impacts used in the analysis**	SinoPac Holdings established scenario analysis models for the climate change risks of different positions in the entire value chain, including physical risks (e.g., heavy rainfall and floods) and transition risks (e.g., carbon cost payments), to implement the quantitative calculation of the financial impact on the Company. The potential impact in the scenario analysis results was low, which demonstrated the climate resilience of the Company's operations. Please refer to the corresponding chapters of the Report and 2023 Climate and Nature-related Financial Disclosures Report for detailed scenario analysis information and methodology.	2.3.5.2 Climate Strategy
6	**If there is a transition plan for managing climate-related risks, describe the contents of the plan and the metrics and targets used to identify and manage the physical and transition risks**	SinoPac Holdings pledged to achieve net zero emissions of its own operations by 2030 and its financed portfolios by 2050. The Company set science-based targets (SBTs), gradually increased the use of renewable electricity, and expanded renewable energy financing and green bond issuance to adjust the investment and lending strategy. The Company also implemented mitigation measures for extreme weather events for self-owned premises in high-risk areas and formulated detailed short, medium, and long-term key tasks for each plan. Please refer to the corresponding chapters of the Report and 2023 Climate and Nature-related Financial Disclosures Report for the contents of transformation plans, key metrics, and short, medium, and long-term targets.	Special Chapter 3 Pave the way for Net Zero Emissions 1.1.3 Three Sustainability Commitments and SDGs 2.3.5.4 Climate Metrics and Targets
7	**If internal carbon pricing is used as a tool for planning, describe the basis of the pricing**	SinoPac Holdings used the GHG emissions from in its own electricity consumption (Scope 2) as the baseline, using shadow price to evaluate the effectiveness of energy conservation and carbon emissions reduction actions of its operating sites. The hidden carbon costs and benefits were included in the evaluation and the analysis in 2023 showed that the average cost for reducing 1 ton of carbon dioxide emissions of the Group in recent years was NT$5,000/ton CO2.	5.1.2.2 Energy Management
8	**If climate-related targets are set, describe the activities covered, the scope of greenhouse gas emissions, planned schedule, and the annual progress. If carbon offsets or renewable energy certificates (RECs) are used to achieve the target, describe the source and quantity of the offsetting or the quantity of renewable energy certificates (RECs).**	SinoPac Holdings pledged to achieve "net zero emissions of its own operations by 2030 and the entirety of its financed portfolios by 2050", which approved by the Board of Directors in March 2022. The Company completed the science-based target (SBT) settings in accordance with the Financial Sector Science-Based Targets Guidance in December 2022 and received the validation and approval of the targets by SBTi in January 2024. The Company formulated the short, medium, and long-term targets up to 2028 based on the five major net zero emission strategies, including net zero in operations, risk management, net zero in investment portfolios, net zero in loan assets, and net zero initiatives. For the details, please refer to corresponding chapters of the Report.	Special Chapter 3 Pave the way for Net Zero Emissions
9	**Greenhouse gas inventory and assurance status**	In 2023, SinoPac Holdings and its subsidiaries' Scope 1+2 GHG emissions totaled 16,909.65 (tCO_2e) and the carbon intensity was 0.314 (tCO_2e/NT$ million in revenue). The data passed the British Standards Institution (BSI) ISO 14064-3:2019 certification. For the details of the inventory of individual subsidiaries, please refer to the corresponding chapters of the Report. SinoPac Holdings pledged to achieve "net zero emissions of its own operations by 2030 and the entirety of its financed portfolios by 2050" and formulated the short, medium, and long-term targets up to 2028 based on the five major net zero emission strategies, including net zero in operations, risk management, net zero in investment portfolios, net zero in loan assets, and net zero initiatives. For the details, please refer to corresponding chapters of the Report.	Special Chapter 3 Pave the way for Net Zero Emissions 5.1.2.1 Greenhouse Gas Management Appendix 1: Other ESG Data - SinoPac Holdings' GHG Emissions data over the years GHG Emissions Verification Opinion Statement

Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED'S SUSTAINABILITY REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED (hereinafter referred to as SinoPac Holdings) to conduct an independent assurance of the Sustainability Report for 2023 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 high level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018), and The International Integrated Reporting Framework during on-site assurance (2024/04/01~2024/05/06) in SinoPac Holdings headquarter. The boundary of this report includes SinoPac Holdings Taiwan and oversea operational and service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD), sustainability accounting standards (SASB).
SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all SinoPac Holdings' stakeholders.

RESPONSIBILITIES
The information in the SinoPac Holdings' Sustainability Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of SinoPac Holdings. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all SinoPac Holdings' stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3 2021 for organization's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and/or ISAE3000.

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The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

	Reporting Criteria Options
1	GRI Standards (in Accordance with the Standards)
2	AA1000 Accountability Principles (2018)
3	<IR> Framework (Chinese version 2015)

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in SinoPac Holdings' Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a high level of scrutiny for SinoPac Holdings and moderate level of scrutiny for its subsidiaries or joint venture,
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.
- Evaluation of the report against the IIRC International <IR> Framework (Chinese version 2015) requirements for content elements.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

- The materiality assessment process of SinoPac Holdings has been described in the report, in the scope of assurance, which include the process of stakeholder engagement result, impact assessment, impact matrix and impact prioritizing, to disclosed in accordance to GRI 3-1.
- Based on materiality of the Report, SGS assurance team had conduct the assurance of topics and indicators below from sampled text and data of SinoPac Holdings' Report :

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Material Topics:	GRI Indicators :
Corporate Governance	GRI 205: Anti-corruption 2016
	Disclosure 405-1 Diversity of governance bodies and employees 2016
Risk Management	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change 2016
Information Security and Cybersecurity	Internal Indicators
Privacy Protection	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data 2016
Sustainable Finance	Internal Indicators
Climate Change and Net Zero Strategy	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change 2016
	GRI 302: Energy 2016
	GRI 305: Emissions 2016
	GRI 306: Waste 2020
Compliance and Money Laundering Prevention	Internal Indicators
Digital Financial Innovation	GRI 203: Indirect Economic Impacts 2016
Financial Service Quality	GRI 417: Marketing and Labeling 2016

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION
Financial data drawn directly from independently audited financial accounts, GRI G4 Financial Services Sector Disclosures, Task Force on Climate-related Financial Disclosures (TCFD), SASB related disclosures, and non-material topics and the related indicators has not been checked back to source as part of this assurance process.

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STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SinoPac Holdings, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.
We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
SinoPac Holdings has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, SinoPac Holdings may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality
SinoPac Holdings has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

Impact
SinoPac Holdings has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

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GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
The report, SinoPac Holdings' Sustainability Report of 2023, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the requirement and guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to SinoPac Holdings' contributions to sustainability development. For future reporting, it is recommended to strengthen the involvement of stakeholders in developing and achieving strategic response to sustainability.

THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
The report, SinoPac Holdings' Sustainability Report of 2023, complies with the IR Framework (Chinese version 2015), presenting the organization's value creation with the capitals comprise financial, manufactured, intellectual, human, social and relationship, and natural. For future reporting, it is recommended to demonstrate the context of sustainability impact management with the disclosure of input and output of SinoPac Holdings.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Report 000-8/V3-48F8C

Stephen Pao
Business Assurance Director
Taipei, Taiwan
19 June, 2024
WWW.SGS.COM

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Independent Limited Assurance Report

EY 安永 Building a better working world

English Translation of a Report Originally Issued in Chinese

Independent Accountant's Limited Assurance Report

To SinoPac Financial Holdings Company Limited

We have been engaged by SinoPac Financial Holdings Company Limited ("SinoPac Holdings") to perform a limited assurance engagement, to report on SinoPac Holdings's selected sustainability performance information ("the Subject Matter") for the 2023 Sustainability Report ("the Report").

Selected Information and the Applicable Criteria

Regarding the Subject Matter and the applicable criteria ("Criteria"), please refer to appendix A.

Management's Responsibility

The SinoPac Holdings management's responsible for preparation of the Report according to the rules of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and applicable criteria, including referencing to GRI Standards issued by Global Sustainability Standards Board. The SinoPac Holdings management is responsible for selecting the Criteria, and for presenting the Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with Standards of Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan. These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a limited assurance report. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

English Translation of a Report Originally Issued in Chinese

Independent Accountant's Limited Assurance Report

To SinoPac Financial Holdings Company Limited

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We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control
We are in conformity with related independence and other ethics requirements in The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which basic principles are integrity, objectivity, professional competence and due care and professional behavior.

We are in conformity with Standard on Quality Control 1 "Quality Control for Public Accounting Firms" to establish and maintain a sound system of quality control, including code of professional ethics, professional standards and those written policies and procedures in applicable regulations.

Description of procedures performed
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 a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with SinoPac Holdings's personnel to understand the business and reporting process.
- Through interviews and inspection of relevant documents, to understand the key stakeholders of SinoPac Holdings, the expectations and needs of the key stakeholders, and the communication channels between the two parties, and how SinoPac Holdings responds to such expectations and needs.
- Conducted interviews with SinoPac Holdings's key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period.
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Executing analytical procedures for selected information. Collecting and assessing other supporting documentation and obtaining management representation letter. When necessary, testing documentation on a sample basis;
- Reading SinoPac Holdings's Sustainability Report to confirm with the consistency of the indicators in Sustainability Report which contribute to the selected information.

Limitations
Non financial information contained within the Report are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also assurance engagements are based on selective testing of information being examined. Any internal control is subjected to limitations. Consequently, it is not possible to detect all existing material misstatements whether resulting from fraud or error.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the subject matter, in order for it to be in accordance with the Criteria.

Ernst & Young
May 31, 2024
Taipei, Taiwan, Republic of China

Notice to Readers [illegible]

Appendix A:

No.	Chapter	Content Title	Selected Information	Applicable Criteria
1	Appendix 4	Number of data breaches, percentage involving personally identifiable information and number of account holders affected	[illegible]	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies; Number of data breaches, percentage involving personally identifiable information, and number of account holders affected
2	Appendix 4	[illegible]	[illegible]	[illegible]
3	Appendix 4	[illegible]	[illegible]	[illegible]

No.	Chapter	Content Title	Selected Information	Applicable Criteria
4	Appendix 4	[illegible]	[illegible]	[illegible]

SinoPac Holdings