



Doing Good
While Doing Well

2023

SUSTAINABILITY
REPORT

Contents

Report Overview	002				
Message from the Chair	003				
Awards and Acknowledgements	006				
Sustainable Performance	008				
Sustainability Initiative and Assessment	010				
CH1 About TCFHC	012				
1.1 Introduction of TCFHC	013				
1.2 Business Strategies and Profitability	015				
CH2 Sustainability Development	021				
2.1 Sustainable Strategy Blueprint	022				
2.2 Sustainable Development Committee	022				
2.3 Material Topics and Stakeholder Engagement	024				
CH3 Corporate Governance	047				
3.1 Corporate Governance	048				
3.2 Ethical Management	054				
3.3 Risk Management and Audit System	057				
3.4 Legal Compliance, Anti-Money Laundering and Combating the Financing of Terrorism	064				
3.5 Information Security	069				
3.6 Privacy Protection	072				
CH4 Sustainable Finance	074				
4.1 Climate Strategies and Actions	075				
4.2 Natural Risk Management	085				
4.3 Sustainable Finance	087				
CH5 Customer Commitment	097				
5.1 Protection of Customer Rights	098				
5.2 Digital Finance	100				
5.3 Financial Inclusion	105				
CH6 Employee Care	110				
6.1 Talent Recruitment and Retention	111				
6.2 Career Management and Learning	117				
6.3 Occupational Safety and Health	123				
6.4 Human Rights and Equality	128				
CH7 Environmental Sustainability	133				
7.1 Green Operation	134				
7.2 Supplier Management and Green Procurement	145				
CH8 Social Inclusion	147				
8.1 Public Welfare Strategies	148				
8.2 Joyful Learning	149				
8.3 Healthy Living	151				
8.4 Tranquil Community	153				
8.5 Nursing and Care	157				
Appendix					
1. Composition of Employee	160				
2. Employee Satisfaction Survey	166				
3. Impact Assessment of Material Topics	167				
4. GRI Standards Index	168				
5. Comparison Table of Sustainability Accounting Standards Board (SASB)	172				
6. Items for Enhanced Disclosures as Specified in the Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies	173				
7. TCFD Index	173				
8. Comparison Table of Implementation Status of Climate- related Information of TWSE Listed Companies	174				
9. BSI Independent Assurance Opinion Statement	176				
10. CPA Limited Assurance Report	177				
11. Summary of Subject Matter Assured	178				

Report Overview GRI 2-2、2-3、2-14

| Reporting Principles

Disclosures in this report are made in compliance with the GRI Standards 2021, the TWSE Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the FSB "Task Force on Climate-Related Financial Disclosures" (TCFD) and the SASB standards for commercial banks.

| Reporting Period

TCFHC has been publishing CSR Report every year since 2011. The report was renamed Sustainability Report in 2021 and has been published for 13 consecutive years. This report discloses the result that TCFHC has achieved on environmental, social, and corporate governance in the 2023 fiscal year (from January 1, 2023 to December 31, 2023). Part of the Information can be either traced back to the outcome achieved prior to 2023 or extended to the latest development in 2024 in an attempt to present to overall performance or data changes.

| Scope and Boundary

This report covers TCFHC and its 7 subsidiaries (Taiwan Cooperative Bank (TCB), Taiwan Cooperative Securities Company (TCS), Taiwan Cooperative Bills Finance Corporation (TCBF), Co-operative Assets Management Company (CAM), Taiwan Cooperative Securities Investment Trust Company (TCSIT), Taiwan Cooperative Venture Capital Company (TCVC), and BNP Paribas Cardif TCB Life Insurance Company (BNP TCB Life), and focus on reporting on operational activities in Taiwan (accounting for 92.58% of consolidated revenue). The scope of this report covers primarily operating activities in Taiwan. The term "The Company" in this report refers to Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC), while "The Group" covers the Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) and its 7 subsidiaries. If there are specific disclosure requirements for the indicators, the detailed scope and calculation method will be noted in the relevant data and paragraphs.

| Basis for Calculation

All information and data in this report came from in-house statistics and surveys. Data and information were collected, measured, and calculated according to regulations. International standards are used where no regulations apply. If there are no international standards available, industry or applicable standards are used. All financial data in this report are expressed in New Taiwan Dollars (NTD). Some financial data in **Business Strategies and Profitability** section are quoted from audited financial statements.

| Publication

The report will be released on the Company's website continuously on a yearly basis (<https://www.tcfhc.com.tw>). It was previously released in June 2023 and this year, it was released in June 2024. An English version of the report is published every year since 2018. It is available for download at the Sustainable Development section of the TCFHC website.

| Report Management

Internal Audit: This report was published after the review and approval by the Board of Directors of TCFHC.

External Certification ^{Note:}

- **Sustainability Report:** Type 2 Moderate Assurance in accordance with the AA1000AS v3 Standard [BSI]
- **Financial Data:** Audit report with an unqualified opinion (Deloitte & Touche)
- **Sustainable Data:** Independent limited assurance was provided by PwC Taiwan in compliance with the ROC Assurance Guidelines 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information"
- **Environmental Data:** ISO 14001 [BSI]、ISO 14046 [BSI]、ISO 14064-1 [BSI、AFNOR]、ISO 14067 [BSI]、ISO 20400 [BSI]、ISO 46001 [BSI]、ISO 50001 [BSI]、TCFD [BSI]
- **Governance Data:** BS 10012:2017 [BSI]、ISO 22301 [BSI]、ISO 27001 [BSI]、TPIPAS [BSI]、TIPS [IDB of MOEA]
- **Occupational Health and Safety Data:** ISO 45001 [BSI]、TOSHMS [BSI]

Note: Some of the certifications are passed by certain subsidiaries and do not apply to the other members of the Group

Feedback



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Message from the Chair **GRI 2-22**

Geopolitical tensions, extreme weather events, and technological breakthroughs intensified and presented as both challenges and opportunities in 2023. In response to rapidly evolving circumstances, TCFHC firmly believes that focusing on accountable and robust corporate governance, adopting disruptive technologies for low-carbon transition, and advancing sustainable development reciprocally with society are our pivot strategies. These strategies represent flourishing prospects for which our employees, clients, and shareholders endeavor to collaborate closely and collectively.

In this light, I would like to reiterate our commitment to advancing sustainable development. To enhance momentum and oversight for implementation in a top-down manner, we upgraded the "Sustainability Management Committee" to a functional committee, and elevated the "Sustainability Office" to a formal management unit led by CEO, who currently serves as the Chief Sustainability Officer of TCFHC.

A handwritten signature in black ink, appearing to read "Ray B." followed by a stylized flourish.

| Robust Corporate Governance

The economy grew steadily in 2023 with private consumption sharply recovered in the aftermath of the pandemic, driven by strong consumer confidence and corporate investment. Nevertheless, high interest rates and inflation held back consumption and investment, while the ongoing Russia-Ukraine war and the Israel-Palestine conflict intensified geopolitical risks reflected in global financial markets.

On the other hand, climate change and technological advances are dominating the risks landscape as highlighted in "The Global Risks Report 2024" published by the World Economic Forum. While the Artificial Intelligence (AI) is quickly adopted across industries, we should be cautious about the rise of "misinformation and disinformation". Considering that "extreme weather events", "critical change to Earth systems", and "biodiversity loss and ecosystem collapse" are on the long-term top 10 risks list and associated with the environment, we understand that the pursuit of sustainable development needs to pay further attention to non-conventional challenges.

Facing the rapid-changing environment and risk outlook, we are devoted to advancing accountable and robust corporate governance and reinforcing management of emerging risks. Regarding corporate governance, building upon existing customer engagement and synergy created across subsidiaries, we are improving asset quality consistently. The consolidated net profit after-tax reached NT\$17.878 billion, and the after-tax return on net worth and after-tax return on assets were 7.66% and 0.39%, respectively. Earnings per share after tax were NT\$1.17. To enhance climate risk governance, in addition to formulating a new climate risk appetite statement and reviewing the overall tolerance of climate-related risks, we have further improved nature-related risk identification and management procedures. In December 2023, we were honored as the first public financial holding company from Taiwan to participate in the Forum of the Task Force on Nature-related Financial Disclosures (TNFD). This recognition reflects our relentless efforts to incorporate emerging risk management and disclosure frameworks in investment and financing decisions, as well as our extensive collaboration with clients to enhance climate actions, ecological conservation, and protection of natural capital.

| Innovation and Sustainability

Considering various physical and transitional risks brought about by global warming, we consistently implement low-carbon transition through financial innovation which benefiting climate mitigation and adaptation actions. In 2023, we joined the Science Based Targets initiatives (SBTi), set a 2050 net-zero target, and became the first state-owned financial

holding company passed the SBTi mid-term carbon reduction target review in August. Every year we not only conduct greenhouse gas inventories at all locations at home and abroad, but also improve energy efficiency and renewable energy usage by conserving, self-producing, and purchasing green energy. Furthermore, we have introduced the carbon footprint disclosure and internal carbon pricing mechanisms to enhance internal carbon awareness and coordinate our actions on climate change, ecological reservation and natural capital protection with external stakeholders.

To support Taiwan's 2050 Net-Zero Emission Pathway and curb carbon emissions society-wide, we have proactively informed our corporate clients of international trends, such as the EU Carbon Border Adjustment Mechanism (CBAM), disclosed relevant information, and promoted ESG transition through loan and credit business channels. At the end of March, for example, TCB invited more than 700 companies to join an "ESG Targeted Industries Engagement Forum" where 3 sustainable transition approaches were introduced to our SME clients to understand the value of sustainable investment and ESG solutions. In order to encourage SMEs to introduce ESG for strategic transformation, TCB works with Dun & Bradstreet, Inc., the world's largest commercial data company, to affiliate SMEs with emerging carbon reduction trends of the global supply chains, perform structured greenhouse gas inventory checks, keep track of product carbon footprints, and prepare short, medium, and long-term carbon reduction plans, etc. Another event of "Sustainable Cooperation of SMEs - The Century Island Wedding of TCB and ESG" was held in December, during which the CommonWealth Magazine and the Taiwan Carbon Solution Exchange witnessed the milestone that we were the 1st company engaged with 5,000 SMEs that agreed to carry out carbon reduction plans.

In addition, TCB invested NT\$73.8 billion in green energy businesses and the issue of sustainable use-of-proceeds bonds in 2023. The cumulative issuance of ESG bonds also led among all state-owned banks, reaching NT\$8 billion and granted us as the first state-owned financial institution issue bonds in all the 3 categories of sustainable use-of-proceeds bonds: green bonds, social bonds, and sustainability bonds.

Developing and providing high quality, innovative and safe financial services is indispensable for the effective implementation of low-carbon transition. The "Innovation Laboratory (CoLAB)" completed 7 digital projects and 21 digitalization projects in 2023, including utilizing customer experiences, digitizing operational processes, and 1 "Empowering Digital Talents and CoLAB Incubator" project, a total of more than 800 patent applications have been submitted. In order to protect these achievements resulting from R&D sufficiently, the "Taiwan Intellectual Property Management Standards (TIPS)" was introduced in 2020 to accomplish the intellectual property management system. Our collective efforts were rewarded with Level A verification

for 4 consecutive years, laying a solid foundation for sustained growth and competitiveness. Moreover, TCB has been granted 223 patents that topped the list of patent applications in the banking industry for 2 consecutive years. As a result, TCB also set a remarkable record of holding the most patents approved at all times among all the banks.

Furthermore, in terms of information security, TCFHC formulated the "Information Security Policy" and appointed a Chief Information Security Officer equivalent to an Executive Vice President, established an information security management system, and formed a task force. In addition to introducing the "ISO 27001 for Information Security Management Systems" to ensure confidentiality, integrity, and availability of the corporate information security management system, TCB adopted the "ISO 22301 for Business Continuity Management Systems" to enhance financial resilience through capacity building of emergency responses and business continuity plans and thus customer rights could be better secured. TCB has also purchased the "Cyber Liability Insurance" for NT\$150 million every year since 2022 to mitigate cyber risk and minimize potential losses in any unlikely event that the information systems are compromised.

| Social Inclusion

We recognize that promoting sustainable development and net-zero transition needs to center on the imperatives of a just transition and social inclusion. This is to ensure our actions aligned with the pledge of "Leaving No One Behind" (LNOB), which is underscored in the COP26 "Declaration of Just Transition" and is the central, transformative promise of the SDGs. LNOB emphasizes that net zero actions should be people-centered, committed to protecting and improving the well-being of stakeholders, and continuously improving communication and cooperation with employees, clients, suppliers, shareholders and other interested parties.

In order to advance employees' awareness of environmental sustainability and to establish an atmosphere for the common good, we have been promoting environmental education and protection. Employees are encouraged to embrace ESG expertise by taking courses and certification examinations to further incorporate sustainable development into their daily lives and business activities. We also pay close attention to gender equality and are committed to fostering workplace practices optimal for gender diversity, equality and inclusion. We emphasize the significance of equal rights and opportunities of employees of different genders in terms of hiring, promotion, on-the-job training, childcare, compensation, and so on.

Following the first-of-its-kind program of "Seed Staff of Long-term Care Services", we have been nurturing trust professionals intensively. As of the end of 2023, there were 630 "Eldercare

Financial Planning Consultants" and 81 "Family Trust Planning Consultants" providing clients with professional asset trust planning and LOHAS(Lifestyles of Health and Sustainability) consultation services. Upholding person centered values and improving social well-being, TCB has launched a variety of financial products and services for SMEs, startups, regional revitalization, agricultural/fishery industries, youth and long-term care institutions. Our efforts to promote the "Business Start-up Loan for the Unemployed of the Employment Insurance Act", "Loans for Startup Assistance for Unemployed Middle-aged Persons and Elderly Persons", and "Micro/Women Start-up Loans" were commended by the Ministry of Labor and accounted for a market share of 28.08%.

Over the years, TCFHC's outstanding performance on ESG has been highly recognized domestically and abroad. In 2023, TCFHC achieved significant milestones by being included for the first time in prestigious sustainability indices such as the "World Index" and "Emerging Market Index" of the Dow Jones Sustainability Indices (DJSI) as well as the Bloomberg Gender Equality Index (GEI). In addition, TCFHC is featured in various other sustainability indices, such as the Morgan Stanley (MSCI) ESG Index, the FTSE4Good Emerging Index, the FTSE4Good Taiwan Sustainability Index, and the Taiwan Corporate Governance 100 Index. Furthermore, TCFHC's commitment to sustainability was acknowledged with listings in the "CommonWealth Top 100 Citizens of Sustainability", and receiving accolades such as the "National Enterprise Environmental Protection Award - Silver" from the Ministry of Environment, and the "Sustainability Resilience Leadership Award" from the British Standards Institution (BSI).

Recognizing the significant risks posed by global challenges such as the dynamic business environment and climate change, we acknowledge that rare opportunities may also arise. In this light, we emphasize the importance of adopting international initiatives, including SDGs, Principles for Responsible Investment (PRI), Principles for Responsible Banking (PRB), and Principles for Sustainable Insurance (PSI). We are committed to strengthening connections with local communities, enhancing corporate governance, and implementing sustainable development strategies to leverage business strengths and seize opportunities. Through relentless collaboration with employees, clients and investors, we are exploring new values of sustainability.

Awards and Acknowledgments



Sustainable Development

- ✦ Golden Medal for "TCSA Taiwan Corporate Sustainability Report Award"
- ✦ "Top 100 Sustainable Corporate Citizen 2023" by CommonWealth
- ✦ 2023 Best Bank Rating Survey "Best ESG Sustainability Award"
- ✦ Selected as a constituent stock in the "World Index" and "Emerging Market Index" of DJSI
- ✦ Selected as a constituent of MSCI ESG Indexes
- ✦ Selected as a constituent of "FTSE4Good Emerging Index"
- ✦ Selected as a constituent of TWSE "FTSE4Good TIP Taiwan ESG Index"

Corporate Governance

- ✦ Named as the top 6~20% of enterprises in the 10th "Corporate Governance Evaluation" by TWSE
- ✦ Selected as a constituent of "TWSE Corporate Governance 100 Index" for 9 consecutive years
- ✦ TCB won the "Best Financial Cyber Security Threat Intelligence Analysis Award" in the 2023 Financial Cyber Security Attack and Defense Drill
- ✦ TCB won the "Information Resilience Excellence Award" at the 2023 BSI International Standard Management Annual Conference
- ✦ TCB won the "Credit Information Security Control - Golden Security Award" of the Joint Credit Information Center for 2 consecutive years

Employee Care

- ✦ Golden Award for "2023 Happy Enterprise Financial Management and Consulting Industry" from 1111 Job Bank
- ✦ AED Safe Venue Certification from Department of Health of Taipei City Government
- ✦ TIVS "Disease Control Gold Award"
- ✦ "Excellent Breastfeeding Room Certification" from Taipei City Government
- ✦ "Healthy Workplace Certification" from Ministry of Health and Welfare
- ✦ Selected as a constituent of "Taiwan High Compensation 100 Index"
- ✦ Selected as a constituent of "Taiwan Employment Creation 99 Index"
- ✦ Selected as a constituent of "Bloomberg GEI Index"
- ✦ TCB won the "Labor Safety Award" as an outstanding unit selected by the Department of Labor, Taipei City Government
- ✦ TCB was qualified with its Occupational Health and Safety Management System by BSI "ISO 45001:2018" and "TOSHMS"
- ✦ TCS won the TCSA "Sustainability Performance - Gender Equity Leadership Award"

Sustainable Finance & Customer Commitment

- + TCFHC won the TCSA Sustainability Performance - "Financial Inclusion Leadership Award", "Innovation and Growth Leadership Award" and "Climate Leadership Award"
- + TCFHC won the "2023 Taiwan Sustainable Investment Awards", Gold Award in the "Case Impact Category - Shareholder Action" and Bronze Award in the "Case Impact Category - ESG Innovation"
- + TCB and TCS to be ranked in top 25% by the "Financial Service Industry Principles for Treating Customers Fairly"
- + FSC "Special Award for Small Enterprise and Startup Financing"
- + 2023 Best Bank Rating Survey "Best SME Service Award"
- + Recipient of recognition of Ministry of Labor for excellent performance on promoting "Micro/Women Start-up Loan", "Loan for Start-up Assistance for the Unemployed of Employment Insurance", and "Unemployed Middle-Aged and Elderly Citizens Business Start-up Loan"
- + FCS "Best Trust Award", "Senior Care Trust Award", and "Employee Welfare Trust Award" of "Trust 2.0 Project Evaluation Phase 2 Promoted by Trust Association"
- + BNP TCB Life won the "Excellent Customer Trust Award" in the insurance company rating of Excellence Magazine
- + "Urban Renewal Innovation - Gold", "Senior Care Innovation - Excellence", "Employee Welfare Innovation - Excellence", "Technology Innovation - Excellence", "Outstanding Marketing", "Particular Creativity in Diversification" of the 2023 Trust Award.
- + TCB was awarded by FSC as a "Grade A Bank in Loaning to Top 6 Core Strategic Sectors"
- + TCB was on the "List of Institutional Investors with Good Disclosure of Due Diligence" of the TSE
- + BNP TCB Life won the "2023 Taiwan Sustainable Investment Awards" - Silver Award in the "Case Impact Category - Sustainable Investment"
- + TCVC won the "2023 Taiwan Sustainable Investment Awards" - Bronze Award in the "Case Impact Category - Sustainable Investment"
- + TCSIT won the "2023 Taiwan Sustainable Investment Awards"- Excellent Performance Award in the "Case Impact Category - Securities Investment"
- + TCS was on the "List of Institutional Investors with Good Disclosure of Due Diligence" of the TSE
- + TCFD obtained the highest level certification of "Level-5+: Excellence" by BSI

Environmental Sustainability

- + CDP was placed on B List
- + TCB won the Silver Award in the Non-Manufacturing Group of the Ministry of Environment's 5th "National Enterprise Environmental Protection Awards"
- + TCB won the "2023 Ministry of Economic Affairs "Energy Conservation Benchmark Award - Silver"
- + TCB won the "2023 Taipei City Zero Carbon Emission Benchmark Award - Excellence"
- + Winner of BSI Sustainable Resilience Award
- + All 335 domestic and foreign offices have passed the verification of "ISO 14064-1 Greenhouse Gas Inventory"
- + The Group has passed the verification of "ISO 20400 Sustainable Procurement - Guidance"
- + 36 locations have passed the verification for "ISO 14001 Environmental Management Systems" and "ISO 50001 Energy Management Systems"
- + 4 locations have passed the verification for "ISO 14046 Water Footprint"
- + 2 locations have passed the verification for "ISO 46001 Water Resources Efficiency Management Systems"
- + Acquired the "Carbon Footprint Label" certificate for 6 products
- + Obtained 10 "ISO 14067 Carbon Footprint" verification statements
- + A total of 12 locations have obtained the EEWL certification
- + A certificate of outstanding performance and appreciation for "Promoting the Green Procurement Project for Private Enterprises and Groups" from the Department of Environmental Protection of Taipei City Government

Social Inclusion

- + Recipient of recognition from FSC for promoting the "Enthusiastic Participation in Promotion Events of Financial Knowledge on Campus and the Community"
- + Recipient of 3 Gold Quality Award in the promotion, sponsorship, and long term sponsorship categories of "Sports Sponsor Award from the Sports" from the Ministry of Education for 15 consecutive years
- + BNP TCB Life won the Bronze Award in "PwC Sustainability Impact - Corporate Sustainability"
- + TCB won 2 Silver Awards in the "2023 Taiwan Sustainability Action Awards"

Sustainable Performance

Corporate Governance

- NT\$**17.878** billion in consolidated net profit after tax, more than NT\$**4.803** trillion in total assets with an annual growth of **7.32%**

Sustainable Finance

- The **2nd** largest market share in loans to Six Core Strategic Industries with an outstanding balance of NT\$**655.039** billion
- An outstanding balance of NT\$**262.345** billion in loans to the green power and renewable energy
- **242** loans with a total balance of NT\$**174.19** billion to urban renewal and risky/old building construction projects
- Invested in green energy businesses and issued sustainability bonds for a total of NT\$**73.781** billion
- Issued green bonds, sustainable development bonds, and social responsibility bonds for a total of NT\$**8** billion
- The total installed capacity of approved renewable energy financing projects reached **2,855** MW
- Undertook up to **6** loan and credit cases in compliance with the Equator Principles
- NT\$**1.385** billion approved in green consumer loans
- The total amount of the "Green and Sustainable Time Deposit Project" reached NT\$**2.71** billion
- A total of **181,343** credit cards made of environmentally friendly materials
- TCSIT issued a green finance fund, whose size had reached NT\$**3.119** billion
- TCS underwrote **4** green bonds, **2** sustainable development bonds, **1** public interest IPO case, and **8** environmentally friendly cases

Customer Commitment

- A total of **3,465** Housing Loans for Young Adults approved for a total of NT\$**22.998** billion
- A total of **2,744** Bagful of Happiness Loans approved for a total of NT\$**16.98** billion
- NT\$**2.267** billion approved for **2,545** Loans for Youth Entrepreneurs
- NT\$**83** million approved for **118** Micro/Women Start-up Loans
- A total outstanding loan balance of NT\$**831** billion issued to **71,252** SME accounts
- **8,314** new beneficiaries added in the year to property trusts for seniors and the disabled
- A total of **31** "Trust and Long-Term Care Training" were held, and **630** practitioners were coached to obtain the professional qualification of "Senior Financial Planning Consultant" and **81** were certified as "Family Trust Planning Consultant"
- **614** fintech patents approved
- Customer service satisfaction **95%**

Employee Care

- NT\$**7.6** million in physical exam allowances for employees in the Group
- All subsidiaries of the Group have received the "Badge of Accredited Healthy Workplace - Health Promotion" from the Health Promotion Administration
- NT\$**19.075** million in child birth subsidies for employees in the Group
- NT\$**17,292.33** million in employee welfare expenses
- The percentage of female executives reached **56.42%**
- The average reinstatement rate of unpaid parental leave reaching **93.48%**



- The 3-year average salary raise at **3.99%** for TCB and a total increase of up to **6.65%** after accounting for yearend bonuses and promotions for those who passed performance evaluations since January 2024
- **50%** of interns in the industry-academia cooperation program returned to work full-time at TCB
- TCB held **3** "TCB Health Lectures" and the total hours of research and study among its staff reached **32,801**

Environmental Sustainability

- TCB promotes energy conservation and carbon reduction projects such as "TCB Energy Conservation and Carbon Reduction", "Replace and Reduce the Number of Lightings" and "Air-Conditioning System Energy Conservation Improvement". In total, around **2,257,232** kWh of electricity is saved, reducing approximately **1,117.30** tCO₂e
- Solar photovoltaic power generator facilities are set up in **11** locations, with a total of **260,028** kWh of electricity generated, reducing approximately **128.74** tCO₂e
- A total of **24.4647** million kilowatt-hours of renewable energy has been purchased, **2.2447** million kilowatt-hours of green electricity has been supplied and **2,250** renewable energy certificates have been obtained
- Replace fuel-powered scooters with electric scooters and lease **202** company cars with green marks or energy labels
- **45** environmental sustainability-related education and training sessions were held, attended by a headcount of up to **5,916** people, and **75** "ESG Elementary School" articles were released
- Support the Ministry of Environment in promoting **32** measures of green office
- Held the Vegetable Day on a greater scale, attended by a headcount of up to **47,852** people, reducing about **36.37** tCO₂e
- Donated a total of NT\$**1.4356** million to the "Taiwan Wetland Conservation Alliance" and the "Dandelion Foundation" to promote natural resource conservation and waste recycling
- Cleaned wetlands and coastlines, with **186** kilograms of garbage in total picked up
- Help employees practice "green consumption" and "green living", with a total of **1,307,500** environmental green points issued
- There were **369** domestic suppliers with a purchase of NT\$1 million or higher signed the "Undertaking on Supplier CSR and Environmental Sustainability Clauses"
- The amount of green procurement has reached NT\$**88.98** million

Social Inclusion

- The amount donated exceeded NT\$**14.5** million to **77** charity organizations
- Held close to **241** courses through Respite Academy with TAFC, providing **23,493** cups of Respite Coffee, and about NT\$**24.00** million in donations
- Hosted **4** TCFHC Classrooms, attended by a total of **1,965** to deliver knowledge on LOHAS lifestyle and long term care
- Supported social empowerment and award academic research through more than NT\$**45** million in donations
- Donated a total of NT\$**401,200** to 3 rural social welfare groups, including Teach For Taiwan, Little Tree, and Eden Social Welfare Foundation
- Spent approximately NT\$**4.0852** million on buying local innovations and products



Sustainability Initiative and Assessment

TCFHC Group actively implements the SDGs and prepares sustainability reports annually in accordance with GRI, SASB, TCFD, and other standards to improve the transparency of information and establish effective communication with stakeholders. To actively align itself with international efforts in promoting sustainable finance, the Company has formulated sustainable financial policies in accordance with standards or guidelines such as PRI, PRB, and PSI to strengthen the link between its ESG and operational policies. The Company has also signed the EP and set mid-term carbon reduction targets based on SBTi to extend its financial influences and collaborate with customers to move towards low carbon transition. In addition, TCFHC actively participates in international assessments such as DJSI, S&P Global, and CDP to examine and continuously improve its own ESG practices. The Company has become part of the DISI components, been included in S&P Global Sustainability Yearbook Member, MSCI ESG Indexes, and the FTSE4Good Emerging Markets Index, among other important international sustainability indexes.



United Nations Sustainable Development Goals (SDGs)

Handling Status

TCFHC Group develops sustainable strategy blueprints in 6 areas, which are corporate governance, sustainable finance, customer commitment, employee care, environmental sustainability, and social inclusion. At the same time, TCFHC Group incorporates SDGs and ESG factors into its operational policies, continues to improve its sustainable strategies and goals, and actively extends its influence in the financial industry through innovative financial products and services. Please refer to [Sustainable Performance](#) for relevant results.

Science-Based Targets initiative (SBTi)

Handling Status

- Signed to join SBTi in July 2022 and also passed the mid-term carbon reduction target review in August 2023, becoming the 1st of its kind in Taiwan.
- Committed to net-zero by July 2023 and targets will be set for review within 2 years based on the SBTi methodology.

GRI Standards

Handling Status

To improve the transparency of the information disclosed and better meet the expectations of the stakeholders, TCFHC prepares sustainability reports annually following the GRI standards and the 5 principles of the AA1000 Stakeholder Engagement Standards. TCFHC designs a stakeholder survey based on these standards to understand the material topics of concern to our stakeholders and formulate response measures.

Sustainability Accounting Standards Board (SASB) Guidelines

Handling Status

Disclose the ESG results annually in accordance with SASB standards for commercial banks. The disclosed indicators shall also be certified by a third-party.

Equator Principles (EP)

Handling Status

In March 2022, TCFHC signed to support the EP, becoming the 1st financial institution in Taiwan to sign and join as a financial holding company.

Principles for Responsible Investment (PRI) Principles for Responsible Banking (PRB) Principles for Sustainable Insurance (PSI)

Handling Status

Facing the risk of global climate change, TCFHC Group actively promotes sustainable finance in compliance with international regulations. TCFHC Group follows PRI, PRB, PSI, and other standards or guidelines and implements sustainable finance policies, and continues to strengthen the link between its ESG strategies and business strategies.

Task Force on Nature-related Financial Disclosure (TNFD)

Handling Status

Having declared its determination to support sustainable development and changes in the global natural environment, TCFHC applied for becoming and was approved as a forum member of the "Nature-related Financial Disclosure Working Group" in December 2023, becoming the 1st of its kind in Taiwan.

Task Force on Climate-related Financial Disclosure (TCFD)

Handling Status

TCFHC became a TCFD Supporter in December 2020 and established a cross-subsidiary TCFD Task Force. The Company has gradually established the Group's climate-related risks identification, measurement, monitoring, reporting and other management procedures according to TCFD's "Governance", "Strategy", "Risk Management" and "Metrics and Targets."

2023 Assessment Results

On September 4, 2023, "2022 TCFD Report" received "Level-5+: Excellence", the highest level verification from BSI

S&P Global Corporate Sustainability Assessment

Handling Status

Since 2022, TCFHC has proactively responded to the CSA questionnaires and actively improved the ESG practices based on the content of the questionnaires.

2023 Assessment Results

Selected as Top 5% of Sustainability Yearbook Member

Dow Jones Sustainable Index (DJSI)

Handling Status

Since 2022, TCFHC has proactively responded to the CSA questionnaires and actively improved its ESG practices and aims to be included in the DJSI.

2023 Assessment Results

Included for the 1st time as a component in both the "World Index" and the "Emerging Market Index"

Carbon Disclosure Project (CDP)

Handling Status

Since 2021, TCFHC has started to respond to the climate change questionnaire from the international nonprofit organization CDP. TCFHC conducts self-assessments of the impacts of its business operations on the environment through the questionnaires and the climate risks and opportunities it faces and formulates response measures.

2023 Assessment Results

B List

MSCI

2023 Assessment Results

Included as part of MSCI ESG Indexes, ESG rating of AA

FTSE Russell

2023 Assessment Results

Included as part of the "FTSE4Good Emerging Index", ESG rating of 3.2

Sustainalytics

2023 Assessment Results

ESG risk score of 22.36

ISS

2023 Assessment Results

ESG rating of D+

Moody's

2023 Assessment Results

ESG score of 23









CH1

About TCFHC



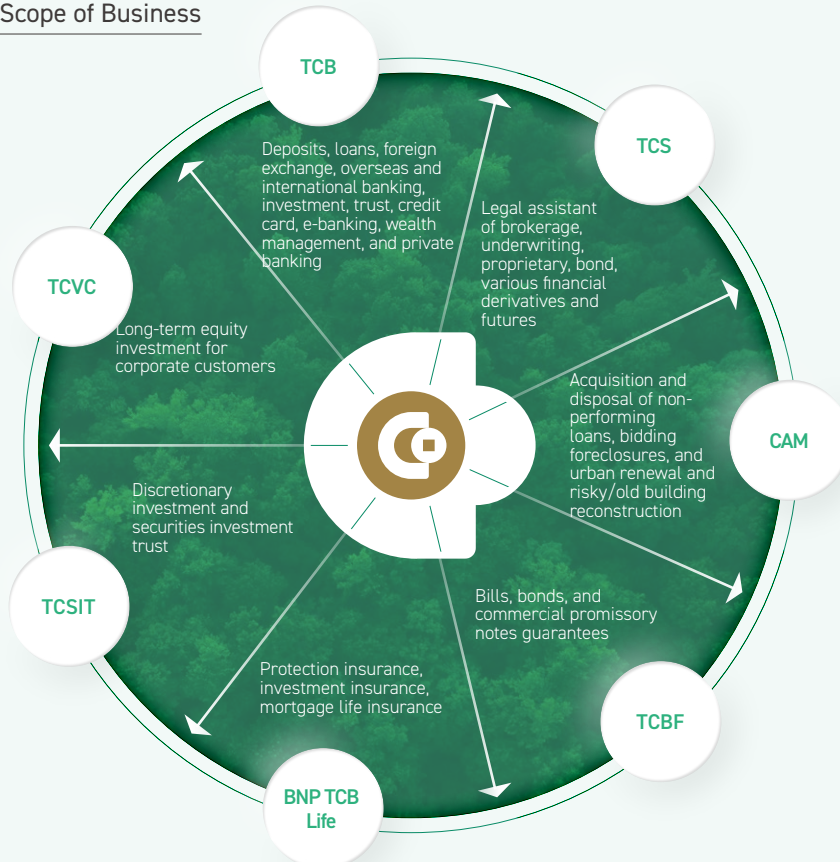
1.1 Introduction of TCFHC GRI 2-1、2-6、2-23、2-24

Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) (hereinafter referred to as the Company) was established on December 1, 2011. It has a total of 7 subsidiaries, including Taiwan Cooperative Bank (TCB), Taiwan Cooperative Securities (TCS), Co-Operative Asset Management (CAM), Taiwan Cooperative Bills Finance (TCBF), BNP Paribas Cardif TCB Life Insurance (BNP TCB Life), Taiwan Cooperative Securities Investment Trust (TCSIT), and Taiwan Cooperative Venture Capital (TCVC). With TCB being the core business, which has been restructured as Taiwan Provincial Government's Co-operative Bank from Taiwan Cooperative Industrial Bank in October 1946, TCB underwent privatization and the merger with Farmers Bank of China. It also gradually expanded its business up to a financial holding company, which became TCFHC that has the most extensive service networks in Taiwan in terms of the number of physical branch.

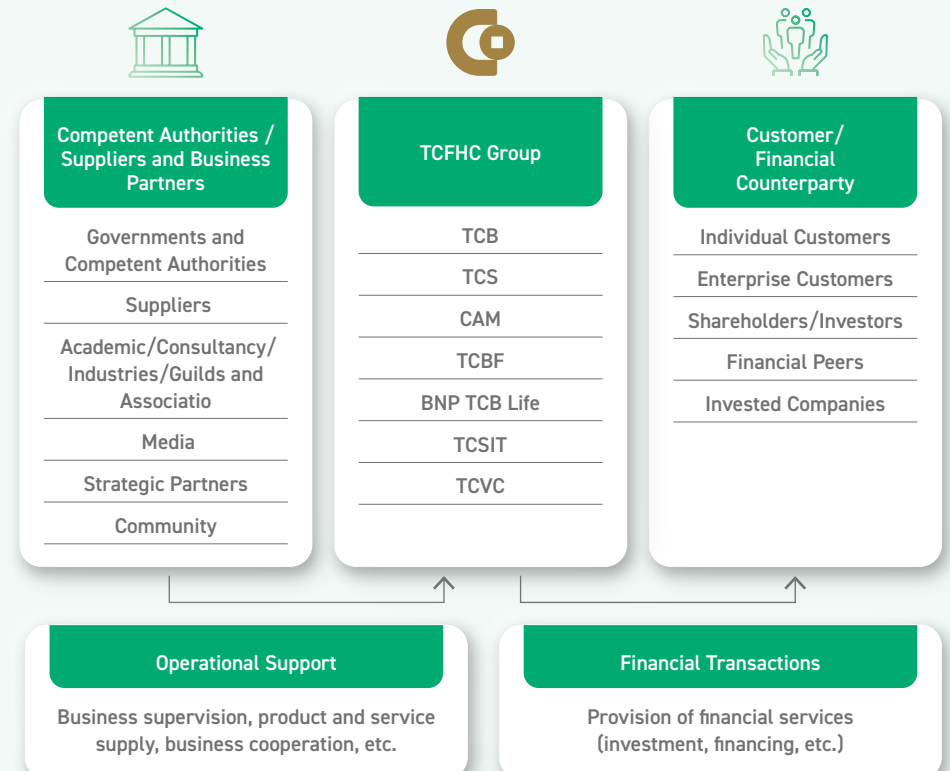
 Date of Establishment	December 1, 2011	 No. of Employees	9,687
 Location of Headquarters	Taipei City, R.O.C. (Taiwan)	 Total Assets	NT\$ 4,803,703 million
 Core Value	Proactive, Agile, Innovative	 Paid-in Capital	NT\$ 147,094 million
 Industry	Financial	 TWSE stock code	TWSE: 5880

(As of December 31, 2023)

Scope of Business

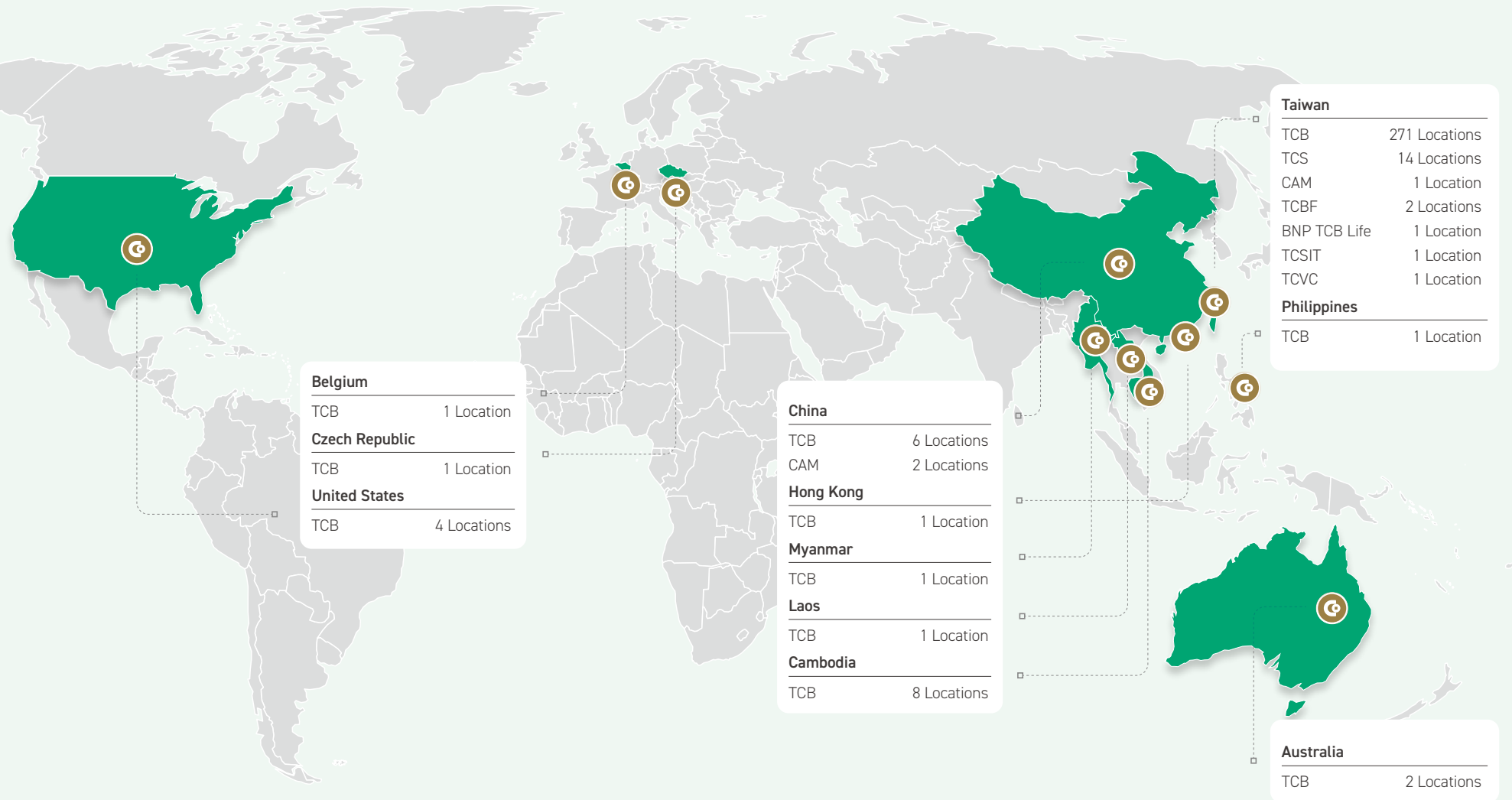


Value Chain



Business Locations

The location of TCFHC Group headquarters is in Taiwan, and its business locations span across 4 continents, including Asia, Europe, America, and Oceania, covering major financial centers. Its overseas expansion is focused on countries in Asia, focusing on developing in the emerging markets in Southeast Asia. As of the end of 2023, the total number of business locations for TCFHC around the world is 319, including 291 domestic locations and 28 overseas locations distributed across 11 countries.



1.2 Business Strategies and Profitability

GRI 2-28、201-1




With a robust customer base and the synergistic group-wide efficiency, the Company has remained solid and strong in operations as a whole. The combined after-tax net profit in 2023 came to NT\$17.878 billion and the after-tax earnings per share were NT\$1.17 while the after-tax return on equity and after-tax return on assets were 7.66% and 0.39%, respectively. In the future, the Group will continue to pursue excellence and growth on the solid foundation built with prior efforts. To response to changes in the financial environment in the post-pandemic era and trend in digital technologies, the Company continues to develop a culture of digital innovation within the Group, fostering innovative forward-thinking that seeks changes and thinks out of the box. The Company encourages innovation of FinTech through Digital Development Committee and CoLAB (Innovation LAB). At the same time, the Company follows "a global network, regional management, and local relationships" in actively adjusting its international development strategies, and takes steps to strengthen and extend its business reach. The Company currently have 28 overseas locations with plans for further expansion. In the future, the Company will actively strengthen its overseas expansion and combine resources in the Group to provide a full range of quality financial services and build itself up to a regional financial institution in Asia. In addition, the Company continues to practice its belief in sustainable management and proactively leverages its core financial strength. ESG is now included as a paramount operational policy while the Sustainable Development Committee is upgraded to be a functional committee subject to the Board of Directors and have the Chief Sustainability Officer equivalent to a vice president and higher in power in order to master sustainable governance. In addition, TCFHC will continue to take advantage of its core financial functions in addressing social and environmental issues and adopt international initiatives, fulfill SDGs, and take forward-looking action to achieve sustainability, creating sustainable new values.

 After-tax Return on Equity **7.66%**

 After-tax Return on Asset **0.39%**


Business Performance

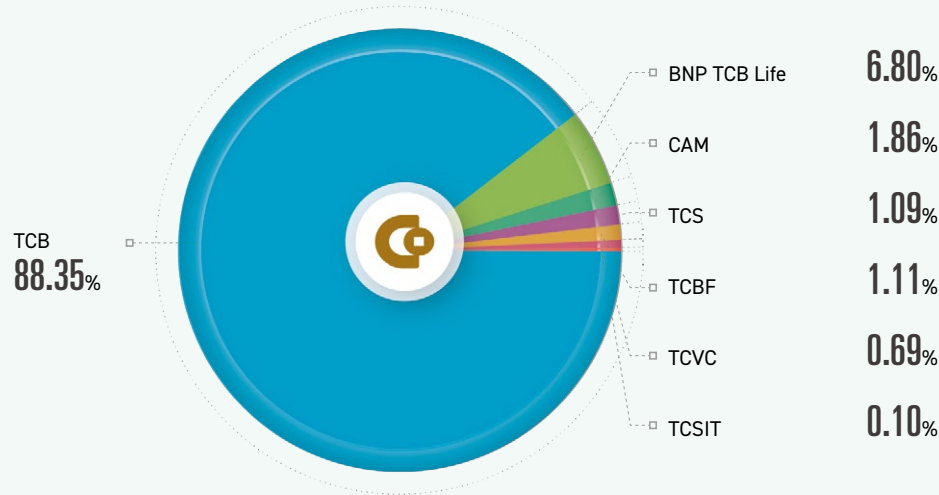
Unit: NT\$

	2021	2022	2023	
 Business Operations Overview	Total assets (NT\$ million)	4,433,836	4,476,168	4,803,703
	Total liabilities (NT\$ million)	4,190,958	4,255,405	4,557,924
	Equity (NT\$ million)	242,878	220,763	245,779
	Net worth per share (NT\$)	17.37	15.38	16.31
	Net income after taxes (NT\$ million)	21,212	20,817	17,878
	Average revenue per employee (NT\$ thousand)	5,668	5,475	6,279
	Average profit per employee (NT\$ thousand)	2,210	2,143	1,829
	Expense on employee welfare (NT\$ thousand)	18,236,308	17,541,280	17,292,237
 Profitability	Return on assets (% , after tax)	0.49	0.47	0.39
	Return on equity (% , after tax)	8.83	8.98	7.66
	Net income ratio (%)	38.98	39.14	29.13
	After-tax earnings per share (NT\$) <small>Note 1</small>	1.40	1.38	1.17
 Distribution of Dividend/Tax/Donation	Cash dividend per share (NT\$)	1.00	0.50	0.65
	Stock dividend per share (NT\$)	0.30	0.50	0.35
	Income tax paid (NT\$ thousand)	2,559,366	3,473,534	2,942,388
	Donation (NT\$ thousand)	347,695	363,645	350,312

Note 1. When the earnings per share is calculated, impacts from bonus shares issued have been included as part of retroactive adjustments.

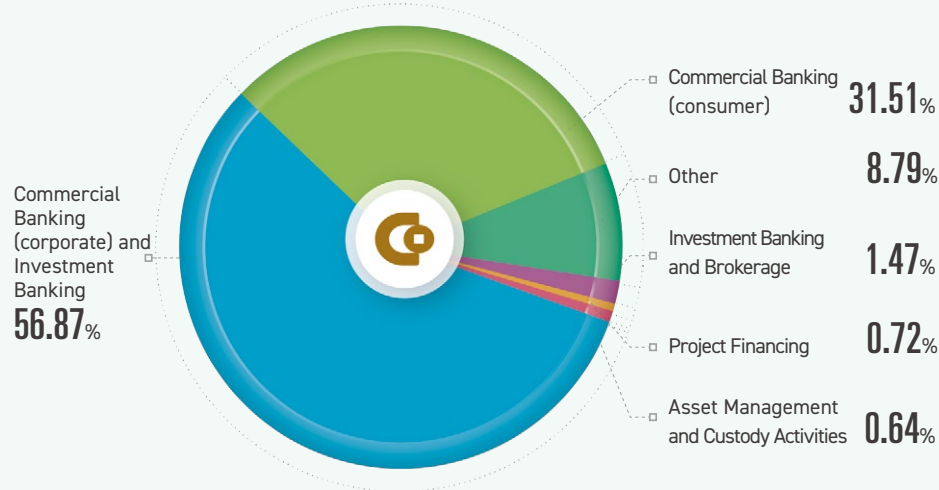
Note 2. The financial information from the table above is excerpted from the 2023 consolidated financial statement of the Company and its subsidiaries.

Profitability Portfolio by Subsidiary in 2023



Note: Material of the investor seminar in the 4th quarter, 2023.

Income Percentage by Business Category



Tax Governance

| Tax Governance Policy

In response to the growing prevalence of tax governance worldwide, TCFHC has implemented the "Tax Governance Policy" and the "Related Party Transaction Transfer and Pricing Policy" to establish the Company's corporate tax culture, govern tax affairs and manage tax risks. The Board of Directors is the ultimate tax risk management unit responsible for approving the "Tax Governance Policy" and reviewing the policy to reflect international tax trends and assessing the need for revision every year.

The Group implements corporate governance, commit to operating in compliance with tax law and file and pays taxes honestly in compliance with local regulations and spirit of the law applicable to domestic and overseas offices. The Group honestly declares and pays taxes, and properly uses the government's tax incentive policies to save taxes reasonably.

The Group does not adopt anti-tax avoidance business practices, refuses to set up offices in tax havens or low tax regions to reduce tax burdens, and prohibits manipulation of profits or losses through any non-arm's length transaction or special transaction structure.

| Tax Governance Risk Management

Tax Compliance Risk and Management: The Group files and pays taxes in compliance with tax regulations. In particular, business income tax is audited by the authorized CPA(s) before the report is submitted internally. The Accounting Department is the tax management unit and responsible for conducting 2 independent compliance audits each year to ensure that tax personnel comply with internal operating procedures and tax laws for routine tax filing, filing for suspension of payment, annual filing and payment, and filing of various types of income. It is also responsible for reporting tax management to the Board of Directors.

Tax Law Management: In the event of changes in tax laws, in addition to consulting related personnel, we actively inquire the opinions of other financial institutions and discuss response strategies with our accountants to adjust internal operating procedures and related policies at appropriate times and ensure that internal operations and management are consistent with regulations.

Improvement of Tax Governance Capabilities: To ensure personnel in charge are familiar with tax laws, the CPA provides information on the latest developments in tax laws whenever necessary. Personnel also participate in external tax courses whenever necessary to improve their professional skills.

Disclosure of Tax Information: The Group's tax information is based on the financial statements audited and certified by the CPA firm, and it is disclosed through public channels such as the official website and the annual report for the shareholders' meeting.

Stakeholders' Communication and Management of Tax Issues

The Company actively communicate tax issues with stakeholders through various channels. We support to improve tax environment and strengthen social trust by actually participating in tax initiatives. We take the initiatives to engage with tax authorities in discussing issues about taxes and cooperate with auditors as well.

2023 Tax Information by Region

Unit: NT\$ million

Tax Jurisdiction	Primary Activities	No. of Employees	Net Revenue	Profit (Loss) before Tax	Income Tax Accrued (Current Year)	Income Tax Paid
Taiwan	Banking, insurance, securities, bills, assets management, investment trust, security investment consulting and venture capital	9,302	56,824	22,109	3,773	2,131
United States	Banking	68	1,594	1,188	272	322
Cambodia	Banking	159	641	(2,318)	0	189
Hong Kong	Banking	33	605	684	31	16
Australia	Banking	29	240	83	22	206
Laos	Banking	14	80	47	1	6
Belgium	Banking	10	268	0	0	2
Philippines	Banking	11	188	(241)	1	1
China	Banking, financing and leasing	149	937	523	96	69

Business Locations and Major Operations

Tax Jurisdiction	Subject Name (Entity Included in the Consolidated Statement)	Primary Activities
Taiwan	TCFHC	Investment and management of invested enterprises
	TCB	Deposits, loans, foreign exchange, overseas and international banking, investment, trust, credit card, e-banking, wealth management, and private banking
	BNP TCB Life	Protection insurance, investment insurance, mortgage life insurance
	TCS	Legal assistant of brokerage, underwriting, proprietary, bond, various financial derivatives and futures
	TCSIT	Discretionary investment and securities investment trust
	TCBF	Bills, bonds, and commercial promissory notes guarantees
	TCVC	Long-term equity investment for corporate customers
	CAM	Acquisition and disposal of non-performing loans, bidding foreclosures, and urban renewal and risky/old building reconstruction
United States	TCSIC	Securities investment consulting business
	TCB - Los Angeles Branch	Commercial lending, foreign exchange, international syndicated loans, investment in securities
	TCB - Seattle Branch	Deposits (U.S. citizens or residents must deposit more than \$250,000 for the 1 st time), commercial lending, foreign exchange, international syndicated loans, investment in securities
	TCB - New York Branch	
TCB - Huston Branch		
Cambodia	TCB - Phnom Penh Branch	Check deposits in US dollars and Cambodian currency, current deposits, time deposits, commercial loans, personal housing loans and foreign exchange (import and export, exchange)
	TCB - Tuek Thla Sub-Branch	
	TCB - Pur Senchey Sub-Branch	
	TCB - Siem Reap Sub-Branch	
	TCB - City Center Sub-Branch	
	TCB - Veng Sreng Sub-Branch	
	TCB - Sihanouk Ville Sub-Branch	
TCB - Tuol Kouk Sub-Branch		

Tax Jurisdiction	Subject Name (Entity Included in the Consolidated Statement)	Primary Activities
Hong Kong	TCB - Hong Kong Branch	Deposits, commercial lending, foreign exchange, international syndicated loans, investment in securities
Australia	TCB - Sydney Branch	Deposits, commercial lending, foreign exchange (import and export, exchange), international syndicated loans, investment in securities
	TCB - Melbourne Branch	
Laos	TCB - Vientiane Capital Branch	Deposits, loans and foreign exchange (import and export, exchange)
Belgium	United Taiwan Bank	International syndicated loan, investment in securities
Philippines	TCB - Manila Offshore Banking Branch	Foreign currency banking business other than Philippine currency (peso): investment in securities, foreign exchange, deposits, credit (including international syndicated loans and self-loans)
China	TCB - Suzhou Branch	Deposits, loans and foreign exchange (import and export, exchange)
	TCB - Suzhou New District Sub-Branch	
	TCB - Tianjin Branch	
	TCB - Fuzhou Branch	
	TCB - Changsha Branch	
	Cooperative International Leasing Corporation Limited	Leasing, financial leasing, purchase of leased property at home and abroad, disposal of residual value of leased property, maintenance, lease transaction consultation

2022 and 2023 Effective Tax Rates, Cash Tax Rate and Industry Average

	2022	2023	Average	Industry Average
Effective Tax Rate ^{Note 1}	15.67%	18.97%	17.24%	21.29%
Cash Tax Rate ^{Note 2}	14.24%	13.33%	13.81%	19.94%

Note 1. Effective tax rate = Income tax expense after adjustment/earning before tax x 100%.

Note 2. Cash tax rate = Cash tax paid/earning before tax x 100%.

Note 3. The Group's main revenue (more than 90%) comes from Taiwan. Taiwan's statutory income tax rate is 20%, which is lower than the average effective tax rate of 21.29% in the global banking industry. The effective tax rate before adjusting and adding back time differences is lower than Taiwan's statutory tax rate. In 2023, the effective tax rate after adjustment and addition is 18.97%.

Note 4. The cash tax rate in 2023 is lower than that in 2022, because the income tax is declared and paid in the next year. The profit in 2022 is lower than that in 2021, resulting in decreasing in the amount of income tax paid in 2023 compared to 2022.

Unit: NT\$ thousand

	2022	2023	Average	
Earnings Before Tax (A)	24,386,344	22,074,663	23,230,504	
Income Tax Expense (B)	3,569,052	4,196,448	3,882,750	
Cumulative Acceptable Adjustments (C)	Time Difference	251,601	-8,436	121,583
Effective Tax Rate (%) ((B+C)/A)	15.67	18.97	17.24	
Cash Taxes Paid (D)	3,473,534	2,942,388	3,207,961	
Cash Tax Rate (%) (D/A)	14.24	13.33	13.81	

Participation in Societies and Associations

TCFHC does financially relevant business and takes part in related industrial associations and domestic and international initiatives, too. For example, TCFHC is a member of 44 associations including the Bankers Association of the Republic of China, the Trust Association of R.O.C, and Asian Bankers Association (ABA). In these associations, 13 positions are filled by high-ranking executives of TCFHC to hopefully exercise joint industrial impacts through exchange and collaboration. In 2023, TCFHC Group spent a total of NT\$312.94 million on participation in associations focused on industry communication and development. In particular, the Group donated NT\$295.84 million to the Small and Medium Enterprise Credit Guarantee Fund (SMEG).

Unit: NT\$

	2020	2021	2022	2023
Small and Medium Enterprise Credit Guarantee Fund (SMEG)	297,433,868	305,777,867	313,718,580	295,839,225
Bankers Association of the Republic of China	3,518,600	3,663,385	3,618,270	3,603,065
Taiwan Financial Services Roundtable	2,500,000	2,500,000	2,500,000	2,500,000
Other	8,714,619	8,210,002	11,175,119	10,992,861
Total	312,167,087	320,151,254	331,011,969	312,935,151
Data Coverage Rate (%)	100	100	100	100

Note: The Company has not made any donations or related expenditures to political organizations or lobbying activities in the past 4 years.

The Group has long-term participated in and supported public associations such as the Bankers Association and the Society of Circular Economics. In 2023, the aforementioned public associations actively cared about sustainability issues and exert influence. The Taiwan Society for Circular Economy held seminars on net-zero trends in agriculture and construction, among other industrial sectors to help them define environmentally sustainable operating strategies. The Banks Association, on the other hand, to go with the FSC's "Green Finance Action Plan 3.0" policy, proactively reinforced trainings on sustainable finance for high-ranking executives and employees and stipulated the "Practical Handbook on Financial Carbon Emissions (Scope 3) of Local Bank Investment and Financing Portfolios". In addition, TCB is a member of the "Climate Change Risk Management Taskforce" of the Banks Association and hence participated in the stipulation of the "Practical Handbook on Climate-related Risk Management for Local Banks". The Group did not take part in climate-related lobbying in 2023.

Key Issues



Financial Inclusion

- Taiwan Financial Services Roundtable
- Small and Medium Enterprise Credit Guarantee Fund (SMEG)

Association

Operation

2023 expenditure

NT\$ **298,339,225**



Sustainable Finance / Climate Change

Bankers Association of the Republic of China

Yen-Mao Lin, Chair of TCB, served as the executive director of the Bankers Association of The Republic Of China. In addition to incorporating important contents of the Equator Principles 4.0 guidelines into the Credit Standards of member banks and defining the "Climate Risk Management Handbook for Domestic Banks", the Association has further stipulated the "Practical Handbook on Financial Carbon Emissions (Scope 3) of Local Bank Investment and Financing Portfolios" to guide loan and credit companies on how to enforce ESG, and encourage companies to refer to the "Reference Guidelines for the Identification of Sustainable Economic Activities" when handling green loan and credit business and hopefully that leveraging their role in funding, the financial service providers can grow towards the goals of sustainable development and net-zero transformation.

NT\$ **3,603,065**

Credit Rating

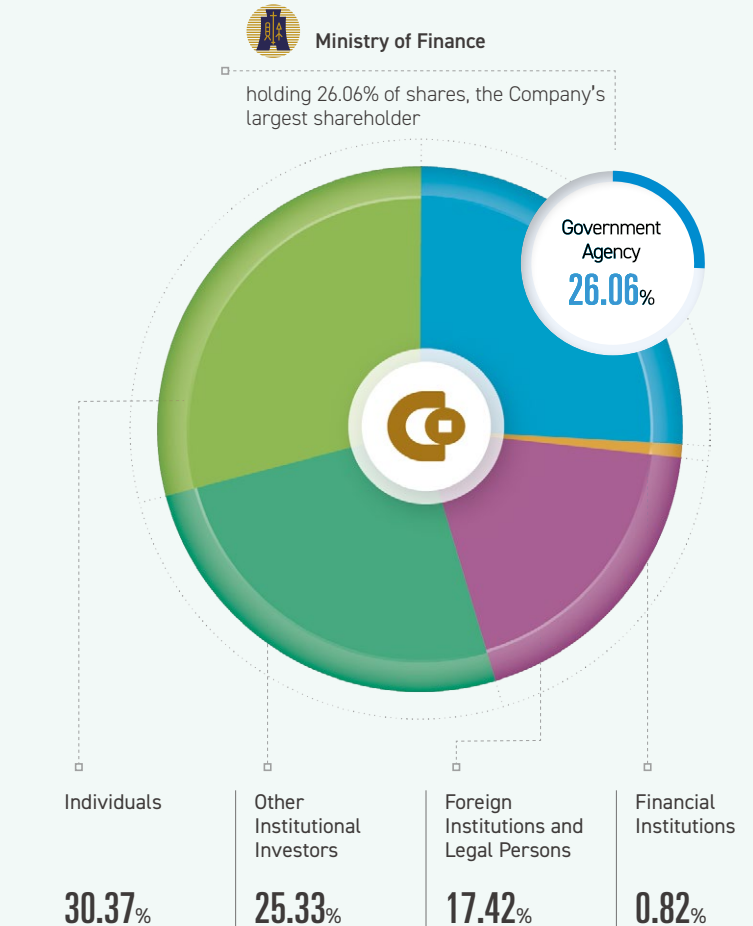
According to credit rating reports released by domestic and foreign credit rating agencies, the Group has a strong market presence and strong corporate values in the Taiwan's banking industries. In addition, the subsidiary TCB has a robust capital level, with its source of funds and liquidity structure rated as stable and adequate, respectively. Most of the outlooks hold at "Stable", which shows the Group's excellent competitive advantages and corporate governance performance in the market as well as trustworthiness to customers and investors.

Company	Rating Agency	Long-term Credit Rating	Short-term Credit Rating	Outlook
TCFHC	S&P Global Ratings	BBB	A-2	Stable
	Taiwan Ratings	twAA-	twA-1+	Stable
TCB	S&P Global Ratings	A+	A-1	Stable
	Taiwan Ratings	twAAA	twA-1+	Stable
TCS	Taiwan Ratings	twAA-	twA-1+	Stable
CAM	Taiwan Ratings	twA+	twA-1	Stable
TCBF	Fitch Ratings	AA+ (twn)	F1+ (twn)	Stable
BNP TCB Life	Taiwan Ratings	twAA-	-	Stable

Shareholders' Structure

The Company is a financial holding company established in accordance with the "Financial Holding Company Act" and the "Company Act". Matters pertaining to corporate governance and business management are carried out in accordance with regulatory requirements and the "Company's Articles of Incorporation". The Ministry of Finance is the Company's largest shareholder (holding 26.06% of shares). Apart from the Ministry of Finance, no other government agencies hold any shares. Other major shareholders include Chunghwa Post Co., Ltd., Taiwan Tobacco and Liquor Corporation, and National Farmers' Association, R.O.C., other domestic and foreign enterprises and institutions, reflecting a stable shareholding structure and no preferred stocks are issued. The general shareholders' meeting of the Company is held annually around the mid-year, in which updated relevant business operation overview is reported along with discussions on financial statements, distribution of earnings, and amendments of bylaws etc.

Shareholding Ratio of the Shareholders



(As of the book closure date on April 23, 2024)

CH2

Sustainability Development



2.1 Sustainable Strategy Blueprint

The TCFHC Group's sustainable strategic blueprint takes "Corporate Sustainability, Environmental Sustainability, and Social Sustainability" as the vision, and combines the 3 major aspects of ESG with the sustainable finance of core business to formulate "RISE" - "Resilience, Inclusion, Synergy and Enrichment" as the main strategic axes to focus on development direction and strengthen goal promotion.

In order to tackle risks of international sustainable developmental trend and climate change, TCFHC has implemented the "Sustainability Policy", the "Sustainable Financial Policy", and the "Sustainable Development Best Practice Principles" as the highest guiding principles for each subsidiary to understand ESG risks and opportunities, and has developed sustainable strategy blueprints in 6 aspects, which are corporate governance, sustainable finance, customer commitment, employee care, environmental sustainability, and social inclusion. At the same time, TCFHC has made United Nations' Sustainable Development Goals (SDGs) and ESG factors part of the business guidelines with refined strategy and goals. The aim is to work together with stakeholders to pursue economic, environmental and social inclusions.

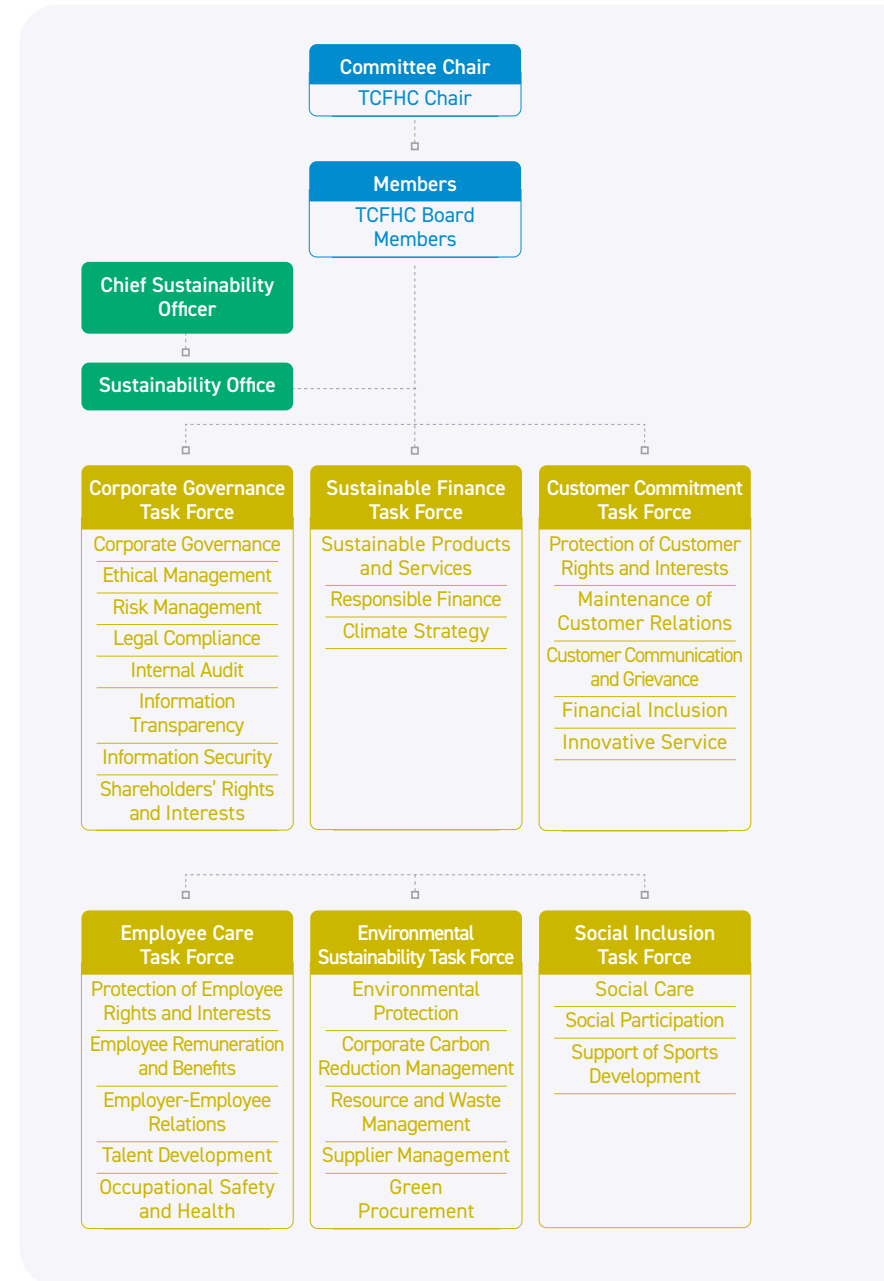
2.2 Sustainable Development Committee GRI 2-9、2-12、2-13、2-14

TCFHC has created the Sustainable Development Committee as well as a full-time Sustainability Office for overseeing implementation of the Group's sustainable development. In order to continue to improve sustainable governance, the Ethical Management Committee was merged as part of the Sustainable Development Committee in 2023, and the Sustainable Development Committee was upgraded to a functional committee supervised by the Board of Directors, meeting at least once a quarter. In addition, the "Sustainability Office" was restructured into a formal management unit, and a Chief Sustainability Officer (CSO) with the rank of executive vice president or above was added, with the first appointment being TCFHC's CEO.

The Sustainable Development Committee is chaired and convened by the Chair of TCFHC, and the 1st members are all independent directors, who possess the necessary knowledge, skills, and qualities required for sustainable development. The committee leads 6 major executive task forces, which are corporate governance, sustainable finance, customer commitment, employee care, environmental sustainability, and social inclusion. Executive vice presidents serve as conveners of these task forces. Short-, medium-, and long-term specific and measurable targets are set for each task force. Progress is actively tracked, and plans are modified on an ongoing basis. The Committee reports the status of compliance in ethical management and submits annual sustainable development action plans and accomplishments to the Board of Directors every year. The aim is to follow a top-down systematic approach to effectively initiate sustainable developments.

In 2023, the Sustainable Development Committee met 4 times in total. The agendas covered tracking the implementation status of annual goals and other projects of task forces, reviewing ESG policies and regulations, among others. In addition, the Sustainable Development Committee and 6 major task forces reported matters concerning sustainable development to the Board of Directors 18 times in total. Supervision imposed by the Board of Directors over sustainable developments are as follows. All proposals below have been carefully examined and fully discussed by directors, with related suggestions provided in order to advance in sustainable development efficacy:

1. The explanation of the GHG inventory plan stipulated in "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" is reported on January 18th, April 24th, July 24th and December 25th, 2023.
2. The 7 policies and guidelines related to ESG were amended on April 24th, May 22nd, June 26th, 2023.
3. On June 26th, 2023, the Sustainability Report (including the accomplishments in sustainable development), the TCFD Report, and the SBTi Commitment were released to set the net zero target.
4. On October 23rd, 2023, organizational adjustment in sustainability was reported and the "Organizational Rules of the Sustainability Development Committee" was newly defined.
5. On November 20th, 2023, members of the Sustainable Development Committee were delegated.
6. On December 25th, 2023, the research fees for the members of the Sustainability Development Committee to attend meetings were reviewed.



Sustainable Development History of TCFHC



- The "Corporate Social Responsibility Committee" was renamed as the "Sustainable Development Committee" and a new "Sustainable Finance Task Force" was established under the Committee
- Established the 1st "Sustainability Office" among state-owned financial institutions
- Formation of "Sustainability Policy" and "Sustainable Financial Policy"
- Issued NT\$1 billion in sustainable development bonds and NT\$1 billion in social responsibility bonds
- Upgraded the "Sustainable Development Committee" to be a functional committee supervised by the Board of Directors and the "Sustainability Office", which was originally a task-based group, was upgraded to a formal management unit, with the "Chief Sustainability Officer" added to provide direct supervision
- Formation of "Financial Inclusion Policy", "Occupational Safety and Health Policy" and "Environmental Sustainability and Energy-Related Policy"
- Became the 1st state-owned financial holding company reviewed and approved by the SBTi for its mid-term carbon reduction goals and committed to following the SBTi while setting net-zero goals
- Became the 1st stated-owned financial holding company to join TNFD
- Formation of "Internal Carbon Pricing"
- Issued NT\$2.5 billion in sustainable development bonds

2021

2023



2020

2022

- Signed TCFD
- A total of 10 locations have received certifications of "ISO 14064-1 Greenhouse Gas Inventory", "ISO 50001 Energy Management System", and "ISO 14001 Environmental Management System"
- Amendment of "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles"
- Formation of "Sustainable Procurement Policy"
- Taiwan's 1st financial institution to sign and support the EPs as a financial holding company
- Taiwan's 1st state-owned financial holding company committed to following SBTi in setting mid-term carbon reduction goals
- All domestic and foreign offices have passed the verification of "ISO 14064-1 Greenhouse Gas Inventory" for the 1st time
- The Group has passed the verification of "ISO 20400 Sustainable Procurement - Guidance"
- 23 locations have passed the verification of "ISO 50001 Energy Management Systems" and "ISO 14001 Environmental Management Systems"
- Issued NT\$2.5 billion in sustainable development bonds

2.3 Material Topics and Stakeholder Engagement

GRI 2-25、2-29、3-1、3-2、3-3

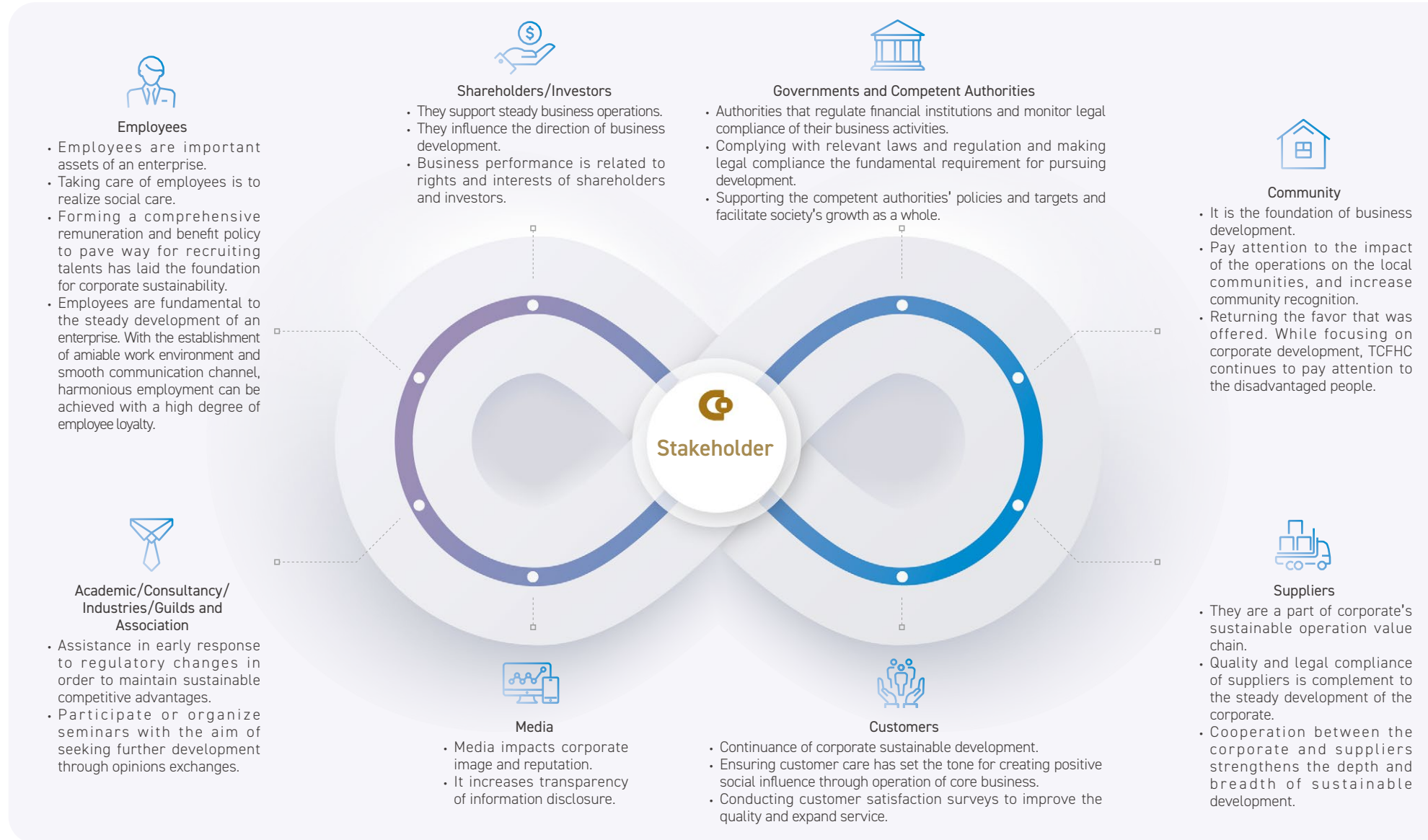
Communications with Stakeholders

The primary step for TCFHC to pursue sustainable development is to identify internal and external stakeholders, further understand their issues of concerns, and facilitate a harmonious development on aspects of environment, finance, and society. The Company has set up a "Stakeholder" section on the "Sustainable Development" webpage. Through transparent and smooth communication channels, the Company collects stakeholders' concerns about sustainable topics, discloses relevant information in this report, and responds promptly by taking appropriate response measures. In 2023, a total of 108 events were held, with 12,252 participants (59 events by the primary subsidiary TCB, with 9,252 participants), to help stakeholders understand the SDGs and Taiwan's sustainable development policies.

	No. of Sessions of Activities	No. of Participants
Directors, Supervisors and, Senior Management Personnel	18	2,269
Employees	76	6,772
Customers	4	950
Media	1	30
Community	6	2,141
Academic/Consultancy/Industries/Guilds and Association	3	90
Total	108	12,252



Note: TCB organizes education and training related to sustainable development on a regular basis every year, and develops training plans for directors, supervisors, senior management personnel, employees, customers and communities. The training courses include sustainable development trends, sustainable loan business, corporate sustainability transformation, LOHAS lifestyle, environmental sustainability, energy and resource management, and social inclusion.



Based on the 5 major principles, which are dependency, responsibility, influence, representative, and diversity of the AA1000 Stakeholder Engagement Standard (AA1000 SES), TCFHC has identified 8 major categories of stakeholders who are most influential and relevant to TCFHC's operations, namely, employees, shareholders/investors, customers, suppliers, community, governments and competent authorities, media, academic/consultancy/industries/guilds, and associations.





TCFHC established engagement means and channels for each stakeholder category in order to ensure continuous communication and collect their opinions and feedback. Actual communications with stakeholders are also presented to the Board of Directors every year.

Communication Frequency and Results with Stakeholders in 2023

Stakeholder	Prioritized Issues as Concerned	Dedicated Contact Person and Method	Engagement Channels	Frequency and Result of Communications
 Employees	Employee Remuneration and Benefits Information Security Training and Development	- Contact Person: Ms. Chang, A.V.P. & Senior Manager of TCFHC's Human Resources Department - Telephone: +886-2-21738888 Ext. 3011	<ul style="list-style-type: none"> Form a corporate union, sign a collective bargaining agreement, and hold periodic employer-employee meetings, Employee Welfare Committee meetings and Occupational Safety and Health Committee meetings. Set up an employee comment mailbox as the channel for exchanges between the employer and the employed. Set up an exclusive section for employees to file complaints and a hotline to report sexual harassment. Set up a complaint mailbox and telephone on the official website. 	<ul style="list-style-type: none"> Subsidiaries of the Group have held 4 employer-employee meetings. 16,902 staffs received education and training on occupational health and safety. TCB and TCS renewed their collective bargaining agreements.
 Shareholders/ Investors	Risk Management Business Performance Employee Remuneration and Benefits	Spokesperson - Name: Jui-Ling Lu - Title: Executive Vice President - Telephone: +886-2-2173-8888 - Email: spokesman@tcfhc.com.tw Deputy Spokesperson - Name: Ling-Tsui Huang - Title: Executive Vice President - Telephone: +886-2-2173-8888 - Email: spokesman@tcfhc.com.tw Stock Transfer Agency - Name: Yuanta Securities Co., Ltd. - Address: B1F, No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City - Telephone: +886-2-2586-5859	<ul style="list-style-type: none"> Convene yearly general shareholders' meetings. Convene quarterly investor seminars. Release business performance on a monthly basis. Periodically announce the management overview, financial information, and updates of the Company on the Investor Relations section of the Chinese and English websites of TCFHC. Disclose matters to be announced on the Market Observation Post System periodically/from time to time. Set up a Stakeholder zone on the official website providing contact information. Phone number and email address. Provide a feedback form in the Sustainable Development section of the official website. 	<ul style="list-style-type: none"> 1 shareholders' meeting and 4 investor seminars were held. A total of 169 material information in Chinese and English and 30 announcements are made.

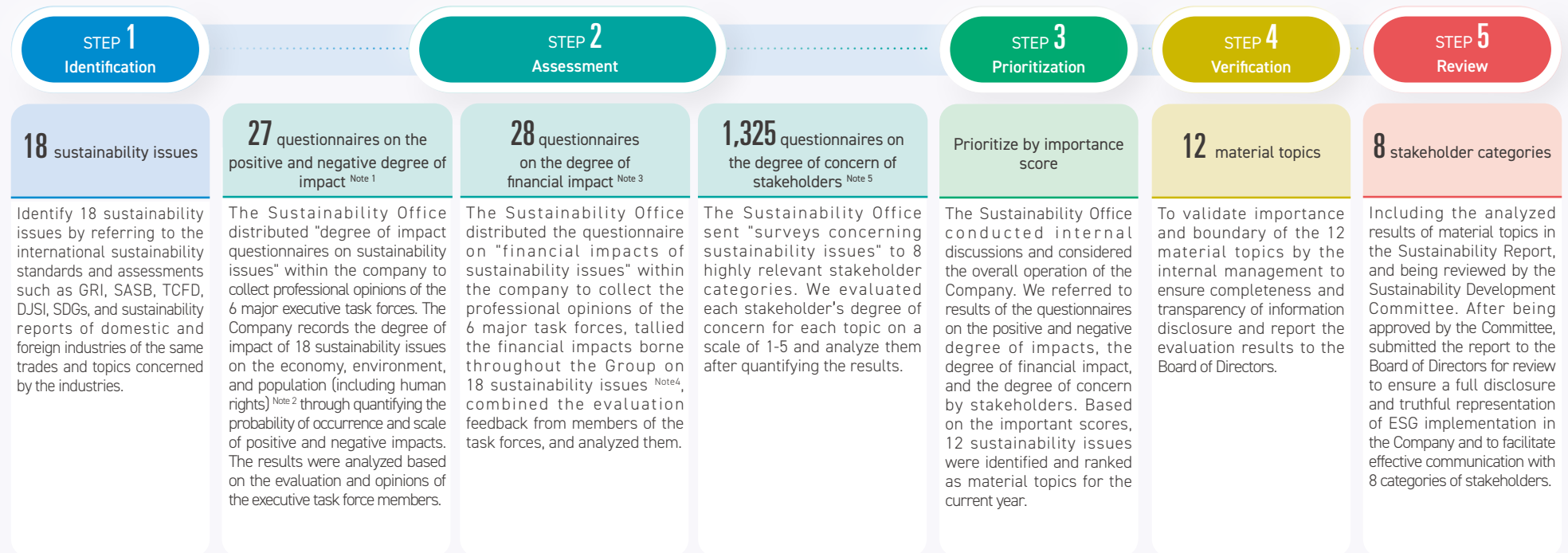
Stakeholder	Prioritized Issues as Concerned	Dedicated Contact Person and Method	Engagement Channels	Frequency and Result of Communications
 Customers	Protection of Customer Rights Information Security Ethical Management	<p>TCFHC</p> <ul style="list-style-type: none"> - Telephone: +886-2-2173-8888 - Website: https://www.tcfhc.com.tw <p>TCB</p> <ul style="list-style-type: none"> - Telephone: 0800-033-175 or +886-4-2227-3131 - Website: https://www.tcb-bank.com.tw <p>TCS</p> <ul style="list-style-type: none"> - Telephone: +886-2-2752-8000 - Website: https://www.tcfhc-sec.com.tw <p>TCBF</p> <ul style="list-style-type: none"> - Telephone: +886-2-2522-1656 - Website: https://www.tcb-bills.com.tw <p>CAM</p> <ul style="list-style-type: none"> - Telephone: +886-2-2382-0868 - Website: https://www.coamc.com.tw <p>TCSIT</p> <ul style="list-style-type: none"> - Telephone: +886-2-2181-5999 - Website: https://www.tcb-am.com.tw <p>TCVC</p> <ul style="list-style-type: none"> - Telephone: +886-2-2395-2115 - Website: https://www.tcfhc-vc.com.tw <p>BNP TCB Life</p> <ul style="list-style-type: none"> - Telephone: 0800-033-133 - Website: https://my.tcb-life.com.tw 	<ul style="list-style-type: none"> • Provide customers with product information on official website as a channel for financial information and service inquiry. • Set up a 24/7 toll-free customer service hotline, official website's mailbox, and complaint hotline. • Establish customer data confidentiality measures to fulfill the confidentiality obligation towards customers' personal information, and place these on the homepage of the official website, disclosed in the ways designated by the competent authority or made extensively known to customers. • Maintain customer relationship by holding investment and wealth management workshops. 	<ul style="list-style-type: none"> • Satisfaction in TCB's service performance evaluation was 92.5%. • Satisfaction rate among TCB's wealth management customers reached 95.19% • TCS customer service hotline gained 100% satisfaction rate. • BNP TCB Life gained a customer satisfaction rate of 98%. • TCB organized 300 financial planning seminars with a total of 5,775 participants.
 Suppliers	Legal Compliance Ethical Management Information Security Protection of Customer Rights	<ul style="list-style-type: none"> - Contact Person: Mr. Shi, Deputy Director, TCFHC Administration Department - Telephone: +886-2-21738888 Ext. 3205 - Contact Person: Ms. Huang, A.V.P. & Senior Manager of General Affairs Team, TCFHC Administration Department - Telephone: +886-2-21738888 Ext. 3260 	<ul style="list-style-type: none"> • When the amount of a procurement project reaches NT\$1 million, suppliers are required to sign the "Commitment of Supplier to CSR and Environmental Sustainability Clause". 	<ul style="list-style-type: none"> • A total of 369 declarations were signed in 2023.

Stakeholder	Prioritized Issues as Concerned	Dedicated Contact Person and Method	Engagement Channels	Frequency and Result of Communications
 Community	Protection of Customer Rights Financial Inclusion Public Interests	- Contact Person: TCFHC Administration Department - Telephone: +886-2-2173-8888 - Website: https://www.tcfhc.com.tw - Email: pr@tcfhc.com.tw	<ul style="list-style-type: none"> Hold winter philanthropic activities every year and support local sports activities. Participate in charity and academic events and charity marathons as well as organize fundraising events every year. Promote long-term care policy, hold TCB Lecture Hall and Respite Academy, and launch the stamp collection passbook to encourage employees to take part in charity activities. Invest resources to cultivate national table tennis, baseball, and badminton players in support of athletic events every year. 	<ul style="list-style-type: none"> The Group donated a total of more than NT\$14.5 million to 77 charity organizations. 4 sessions of TCB Lecture Hall were held - Happy Living and Secure Caring Master Class and Financial Planning Forum, and 24 Respite Academy courses. TCS organized 65 financial planning seminars with a total of 1,696 participants. TCSIT held 2 wealth management workshops on campuses attended by a headcount of 100 people. The TCB sports teams sent players to compete in a total of 58 games around the world.
 Governments and Competent Authorities	Ethical Management Sustainable Finance Digital Finance	- Contact Person: TCFHC Administration Department - Telephone: +886-2-2173-8888 - Website: https://www.tcfhc.com.tw - Email: pr@tcfhc.com.tw	<ul style="list-style-type: none"> Compliance with laws and regulations and provision of relevant information in cooperation with supervision and inspections by competent authorities. Compliance with policies of the competent authorities and participation in various meetings held by them. 	<ul style="list-style-type: none"> Achieved internal and external assessments of the Board of Directors. Formulated the "Declaration on the Compliance of Ethical Management by Directors and Senior Management" and has received a total of 111 signed declarations from all directors and senior management of TCFHC and its subsidiaries, attaining a 100% of signing rate in 2023. TCFHC was selected as a constituent of the TWSE CG 100 Index, TWSE RA Taiwan Employment Creation 99 Index, and TWSE RAFI Taiwan High Compensation 100 Index. TCB, TCS, TCSIT and BNP TCB Life regularly disclose the stewardship principles for institutional investors report on their official website every year.
 Media	Green Operations Information Security Corporate Governance Digital Finance Financial Inclusion	- Contact Person: TCFHC Administration Department - Telephone: +886-2-2173-8888 - Website: https://www.tcfhc.com.tw - Email: pr@tcfhc.com.tw	<ul style="list-style-type: none"> Hold investor conferences periodically to enhance the transparency of the financial information. To hold press conference, and publicize product launch event and advertisement release event whenever needs. Invite media whenever needed, arrange interviews by spokespersons, and provide related press releases. 	<ul style="list-style-type: none"> 4 investor conferences were held. A total of 101 pieces of press release was issued by TCFHC itself. For details, please refer to News Center.
 Academic/Consultancy/Industries/Guilds and Association	Equality, Diversity, and Inclusion of Human Rights Sustainable Finance Climate Strategies and Actions Information Security Corporate Governance Ethical Management	- Contact Person: TCFHC Administration Department - Telephone: +886-2-2173-8888 - Website: https://www.tcfhc.com.tw - Email: pr@tcfhc.com.tw	<ul style="list-style-type: none"> To hold forums or academic seminars whenever needed to update the latest developmental trends in financial industry through exchange of opinion. Participate in meetings and forums that are held periodically by societies and associations in order to keep track of regulatory changes by competent authorities and to ensure compliance by operations every year. 	<ul style="list-style-type: none"> The Group has joined a total of 44 guilds and associations.

Defining Material Topics

TCFHC follows the 2021 version of the GRI Standards for sustainability and refers to the development trend of domestic and overseas financial industries and sustainability issues concerned by well-known enterprises every year. At the same time, the Company evaluates its operating status based on the 4 principles, which are sustainability, materiality, completeness, and stakeholder inclusiveness. TCFHC invites the 6 major executive task forces members of the Sustainable Development Committee to discuss and compile suggestions from external stakeholders. TCFHC takes the double materiality in financial and non-financial reporting into account to evaluate the positive and negative impacts of sustainability issues on the economy, environment, and population (including human rights) and use it as the basis for identifying material topics for 2023 and responds to SDGs. In addition, the evaluation results of the material topics will be included in the operational assessment items of each subsidiary to integrate material topics into Enterprise Risk Management (ERM).

Procedure of Defining Material Topics



Note 1. Questionnaires on the degree of impact on sustainability: A total of 27 valid questionnaires were collected and they were filled out by Sustainability Office, other senior managements and 6 task forces of corporate governance, sustainable finance, commitment to customer, employee care, environmental sustainability and social inclusion.

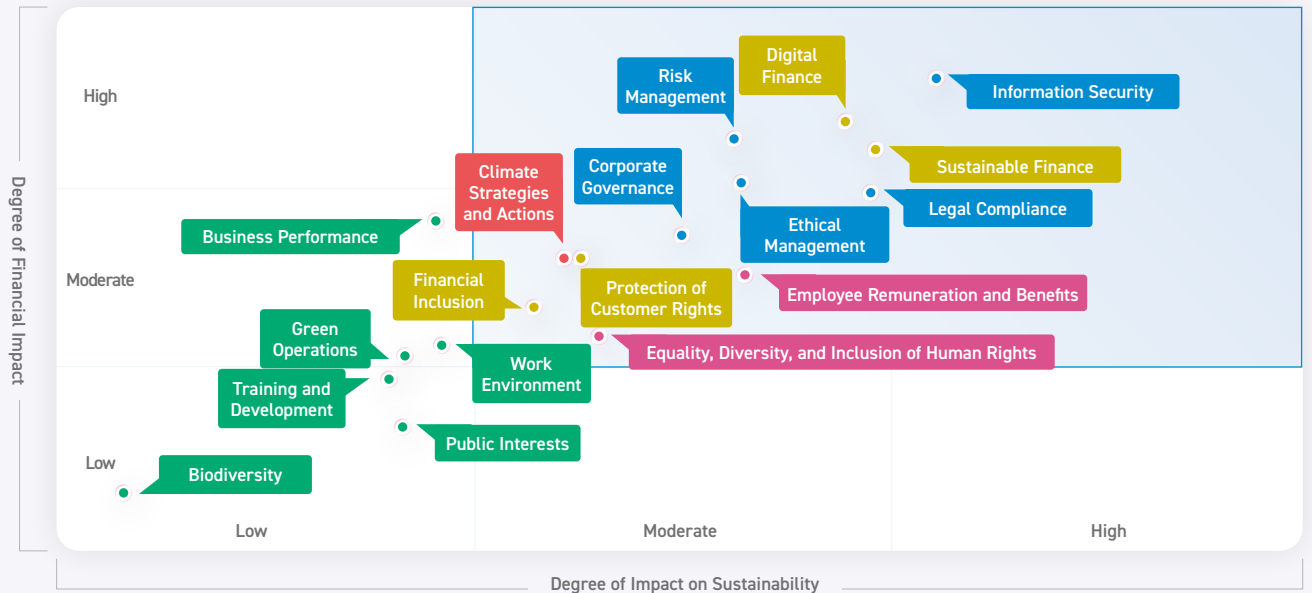
2. The impact assessment is divided into positive and negative impacts according to the 2021 GRI Sustainability Standards. The aspects evaluated for positive impacts are the probability of occurrence, and scale and scope of impact, while the aspects evaluated for negative impacts are the probability of occurrence and degree of severity.

3. Questionnaires on the degree of financial impact: A total of 28 valid questionnaires were collected and they were filled out by Sustainability Office, other senior managements and 6 task forces of corporate governance, sustainable finance, commitment to customer, employee care, environmental sustainability and social inclusion.

4. The impact assessment was divided into positive and negative impacts according to the 2021 GRI Sustainability Standards and the duration of impacts of sustainability issues and their financial significance were taken into consideration as a whole in order to evaluate the financial impacts of respective sustainability issues.

5. Questionnaires on degree of concern are 432 from customers, 678 from employees, 6 from government and competent authorities, 18 from shareholders/investors, 6 from suppliers, 170 from communities, 5 from medias, 10 from academic/consultancy/industries/guilds and associations. According to the statistics of the Company, the top 5 material topics of concern to external stakeholders, ranked by score, are employee remuneration and benefits, information security, protection of customer rights, ethical management, and training and development.

Matrix of Impacts of Major Topics in 2023









Note 1. Considering that climate change risk management has been integrated into the Company's existing risk management system, "Climate Risk Management" in 2022 was changed to "Climate Strategies and Actions", focusing on describing the response measures to climate risks and opportunities. In addition, in response to the diversity of DEI in line with the trend of inclusive issues, this year the "Human Rights Equality" topic was changed to "Equality, Diversity and Inclusion of Human Rights".
 2. The 2 major topics in 2022, "Training and Development" and "Green Operations", were removed after identification and analysis this year because their impacts were low. In addition, the impacts and the level of concern among stakeholders of "Employee Remuneration and Benefits" and "Ethical Management" have increased, so they were included in this year's major topics.






Material Topics and Management Approach

TCFHC has set up management approach for identified material topics to ensure impacts on the operation and stakeholders by these topics can be effectively managed through implementation of policy, injection of resources, and management of performance.




The Scope of Impact for Material Topics in 2023




Material Topic	Significance to TCFHC	Main Impacts on Stakeholders	Scope of Impact	Impact on External Stakeholders and Dimensions	GRI	SASB	SDGs	Chapter of Sustainability Report	
Information Security	Protecting transactions and confidential information, setting information and network security comprehensive management strategy to ensure the rights and interests of customers and the reputation of the Group.	<ul style="list-style-type: none"> ■ Employees ■ Shareholders/ Investors ■ Customers □ Suppliers □ Community 	<ul style="list-style-type: none"> ■ Governments and Competent Authorities ■ Media □ Academic/ Consultancy/ Industries/Guilds and Association 	<ul style="list-style-type: none"> ■ Operations ■ Products/ Services □ Supply Chains 	<ul style="list-style-type: none"> □ Environment ■ Society ■ Consumers/End Users □ External Personnel (such as supply chains and contractors) 	<ul style="list-style-type: none"> • GRI 3-3 Management of Material Topics • GRI418 Customer Privacy 	<ul style="list-style-type: none"> • FN-CB-230a.1. • FN-CB-230a.2. 	<ul style="list-style-type: none"> • SDG 8 • SDG 9 	CH3_ Corporate Governance




Material Topic	Significance to TCFHC	Main Impacts on Stakeholders		Scope of Impact	Impact on External Stakeholders and Dimensions	GRI	SASB	SDGs	Chapter of Sustainability Report
 Sustainable Finance	Leveraging the core financial influence to guide capital flows towards sustainable industries or projects and provide products and services that enhance environmental and social benefits, and establish an assessment mechanism for ESG risks.	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/ Investors <input checked="" type="checkbox"/> Customers <input type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input checked="" type="checkbox"/> Media <input checked="" type="checkbox"/> Academic/ Consultancy/ Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/ Services <input type="checkbox"/> Supply Chains	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics 	<ul style="list-style-type: none"> FN-CB-410a.2. 	<ul style="list-style-type: none"> SDG 7 SDG 8 SDG 9 SDG 12 SDG 13 SDG 17 	CH4_ Sustainable Finance
 Digital Finance	In response to the trends in digital banking transformation, establishing a digital financial system to facilitate and popularize financial products and services.	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/ Investors <input checked="" type="checkbox"/> Customers <input type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input checked="" type="checkbox"/> Media <input type="checkbox"/> Academic/ Consultancy/ Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/ Services <input type="checkbox"/> Supply Chains	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics 	-	<ul style="list-style-type: none"> SDG 4 SDG 8 SDG 9 SDG 10 	CH5_ Customer Commitment
 Legal Compliance	Implementing legal and regulatory compliances can reduce operational risks and avoid penalties, thereby promoting businesses and expanding the scale of operations.	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/ Investors <input checked="" type="checkbox"/> Customers <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input checked="" type="checkbox"/> Media <input type="checkbox"/> Academic/ Consultancy/ Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/ Services <input checked="" type="checkbox"/> Supply Chains	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input checked="" type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 2-27 Compliance with Laws and Regulations GRI 3-3 Management of Material Topics GRI 417 Marketing and Labeling 	-	<ul style="list-style-type: none"> SDG 10 SDG 16 	CH3_ Corporate Governance
 Protection of Customer Rights	Pay attention to customer privacy and systematically managing and analyzing customer feedback towards financial products and services to enhance customer satisfaction and maintain a competitive advantage in the market.	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/ Investors <input checked="" type="checkbox"/> Customers <input type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input checked="" type="checkbox"/> Media <input type="checkbox"/> Academic/ Consultancy/ Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/ Services <input type="checkbox"/> Supply Chains	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics GRI 417 Marketing and Labeling GRI 418 Customer Privacy 	-	<ul style="list-style-type: none"> SDG 10 SDG 16 	CH5_ Customer Commitment
 Climate Strategies and Actions	The physical and transition risks caused by extreme climates on the financial systems are becoming more apparent. In addition to identifying, assessing, and managing climate change risks, enterprises need to combine their business strategies to address the risks and opportunities brought about by climate change.	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Shareholders/ Investors <input checked="" type="checkbox"/> Customers <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input type="checkbox"/> Governments and Competent Authorities <input type="checkbox"/> Media <input checked="" type="checkbox"/> Academic/ Consultancy/ Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/ Services <input checked="" type="checkbox"/> Supply Chains	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input checked="" type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics GRI 201 Economic Performance 	-	<ul style="list-style-type: none"> SDG 7 SDG 12 SDG 13 	CH4_ Sustainable Finance CH7_ Environmental Sustainability
 Financial Inclusion	Introduce inclusive financial products and services to make people with different backgrounds all entitled to fair financial services or resources.	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/ Investors <input checked="" type="checkbox"/> Customers <input type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Community	<input type="checkbox"/> Governments and Competent Authorities <input type="checkbox"/> Media <input type="checkbox"/> Academic/ Consultancy/ Industries/Guilds and Association	<input type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/ Services <input type="checkbox"/> Supply Chains	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics 	<ul style="list-style-type: none"> FN-CB-240a.1. FN-CB-240a.2. FN-CB-240a.4. 	<ul style="list-style-type: none"> SDG 1 SDG 8 SDG 9 SDG 10 	CH5_ Customer Commitment CH8_ Social Inclusion




Material Topic	Significance to TCFHC	Main Impacts on Stakeholders		Scope of Impact	Impact on External Stakeholders and Dimensions	GRI	SASB	SDGs	Chapter of Sustainability Report
 Corporate Governance	Sound corporate governance is the foundation of sustainable development, strengthening the stability and transparency of business operations and enhancing enterprises' long-term competitiveness.	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/Investors <input type="checkbox"/> Customers <input type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input checked="" type="checkbox"/> Media <input type="checkbox"/> Academic/Consultancy/Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/Services <input type="checkbox"/> Supply Chains	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics 	-	<ul style="list-style-type: none"> SDG 5 SDG 12 SDG 16 	CH3_ Corporate Governance
 Risk Management	To respond to changes in the financial environment, various emerging risks and business crises, appropriate risk management policies should be formulated, and effective risk management mechanisms should be established to ensure sound and sustainable business development.	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/Investors <input checked="" type="checkbox"/> Customers <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input checked="" type="checkbox"/> Media <input type="checkbox"/> Academic/Consultancy/Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/Services <input checked="" type="checkbox"/> Supply Chains	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input checked="" type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics 	<ul style="list-style-type: none"> FN-CB-550a.2. 	<ul style="list-style-type: none"> SDG 12 	CH3_ Corporate Governance
 Employee Remuneration and Benefits	Talent is the most important asset of an enterprise. Good compensation and welfare help enterprises attract and retain talent and stay competitive.	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/Investors <input type="checkbox"/> Customers <input type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input type="checkbox"/> Media <input checked="" type="checkbox"/> Academic/Consultancy/Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input type="checkbox"/> Products/Services <input type="checkbox"/> Supply Chains	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input type="checkbox"/> Consumers/End Users <input type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics GRI 201 Economic Performance GRI 401 Employment 	-	<ul style="list-style-type: none"> SDG 5 SDG 8 	CH6_ Employee Care
 Ethical Management	Perfect integrity management helps to build the integral and ethical values and culture of an enterprise, stabilize its operations, and boost sustainable management.	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Shareholders/Investors <input checked="" type="checkbox"/> Customers <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input checked="" type="checkbox"/> Media <input type="checkbox"/> Academic/Consultancy/Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Products/Services <input checked="" type="checkbox"/> Supply Chains	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input checked="" type="checkbox"/> Consumers/End Users <input checked="" type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior 	<ul style="list-style-type: none"> FN-CB-510a.1. FN-CB-510a.2. 	<ul style="list-style-type: none"> SDG 10 SDG 16 	CH3_ Corporate Governance
 Equality, Diversity, and Inclusion of Human Rights	Implementing sexual equality, prohibiting discrimination, and protecting the right to work are the responsibilities of enterprises to protect human rights and are fundamental principles valued internationally.	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Shareholders/Investors <input checked="" type="checkbox"/> Customers <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Community	<input checked="" type="checkbox"/> Governments and Competent Authorities <input type="checkbox"/> Media <input type="checkbox"/> Academic/Consultancy/Industries/Guilds and Association	<input checked="" type="checkbox"/> Operations <input type="checkbox"/> Products/Services <input checked="" type="checkbox"/> Supply Chains	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Society <input type="checkbox"/> Consumers/End Users <input checked="" type="checkbox"/> External Personnel (such as supply chains and contractors)	<ul style="list-style-type: none"> GRI 3-3 Management of Material Topics GRI 405 Diversity and Equal Opportunity GRI 406 Non-discrimination GRI 407 Freedom of Association and Collective Bargaining GRI 409 Forced or Compulsory Labor 	-	<ul style="list-style-type: none"> SDG 4 SDG 5 SDG 8 SDG 10 SDG 16 	CH6_ Employee Care

📁 Description of Impact Management of Material Topics in 2023

Material Topic	Positive Impact	Potential/Actual Negative Impact	Channels for Filing Complaints and Seeking Remedies	Remedial Measures	Process of Internal Improvements and Tracking Methods
 Information Security	Strengthening the safety net of information security and employee awareness of information security to prevent intrusions by hackers and customer privacy breaches and to protect the rights and interests of stakeholders and the company's important operational information.	Information leakage, stealing, or losing customer data can violate the privacy of stakeholders or expose them to ransomware risks, which may violate the law, and the Company may face litigation risks.	<ul style="list-style-type: none"> Employee complaint mailboxes and internal communication channels. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Tip-off hotline and email address. Set up a Stakeholder zone on the official website providing corresponding contact channels. 	<ul style="list-style-type: none"> Formulate "Personal Data Protection Management Policy". Incidents responded in a timely manner, and reporting and prevention of incidents are handled according to relevant internal guidelines. If the rights of customers are violated or business operations are affected, competent authorities shall be reported within a specified time limit. Conduct education and training on the protection of personal information and information security for employees. Seeking compensation from suppliers who violate information security or clauses of the nondisclosure agreement. The personnel involved in the violation will be discussed and punished according to the employee reward and punishment system. 	<ul style="list-style-type: none"> Hold a Computer Information Security Incident Response Team (CSIRT) meeting to monitor and review information security incidents and strengthen and implement the effectiveness of information security response mechanisms in each unit. The Chief Compliance Officer of TCFHC convened the Personal Information Protection Management Committee to review and supervise incidents on personal data protection. Hold a business continuity plans test semiannually.
 Sustainable Finance	Upholding financial influences with concerns on ESG issues and guiding capital flows towards sustainable industries or items through diversified business, reducing impacts on the environment, and human rights, thereby implementing sustainable development goals.	The lack of ESG factors in the process of making investment and margin trading decisions may lead to misjudgment of the long-term value of the target and result in financial losses, as well as indirectly causing negative impacts on the environment and labor rights.	<ul style="list-style-type: none"> Employee complaint mailboxes and internal communication channels. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Set up a Stakeholder zone on the official website providing corresponding contact channels. 	Strengthen ESG education, training and professional capabilities of employees to reduce the risk of misjudgment of ESG factors in investment and financing decisions.	<ul style="list-style-type: none"> ESG principles have been included in the review of the credit process to reduce ESG risks involved in the process of making financing decisions. Regular reviews and follow-ups are also conducted to strengthen post-loan management to protect creditor rights. Evaluate ESG risks during the investment process and understand the ESG rating and whether there is related negative news of the investment target or not taking advantage of external information such as Market Observation Post System (MOPS), sustainability reports, ESG reports from credit rating agencies, and Bloomberg information, etc. Such information is taken into consideration during the investment decision-making process.
 Digital Finance	Establish digital financial systems, optimize service processes and operational efficiency, reduce carbon emissions by reducing paper usage, increase financial service penetration rate, and enhance customers' digital service experience.	The technical risks have increased, such as technical failures in information technology systems, which may cause market disruptions, trade stagnation, transfer difficulties, or inability to ensure normal transaction due to capacity or operation issues, thus violating customer rights.	<ul style="list-style-type: none"> 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Customers also seek assistance from the personnel at the business locations during operating hours. 	<ul style="list-style-type: none"> Subsidiaries have established emergency response measures to ensure uninterrupted operations. When the system encounters abnormalities, it should be reported to the corresponding contact person immediately and contact relevant suppliers to identify the cause and eliminate the abnormal situations. After identifying the root of the problems, remedial measures will be formulated in collaboration with the relevant business 	<ul style="list-style-type: none"> Assign dedicated personnel to review system operations periodically and maintain contact with the corresponding contact person to deal with abnormal situations immediately when they occur. Improve the professional knowledge and skills of information-related personnel. Conduct regular maintenance, inspection, updates, maintenance or upgrade of equipment and systems.

Material Topic	Positive Impact	Potential/Actual Negative Impact	Channels for Filing Complaints and Seeking Remedies	Remedial Measures	Process of Internal Improvements and Tracking Methods
 <p>Legal Compliance</p>	Regulatory compliance can reduce operational risks, avoid penalties, protect the natural environment, and the rights and interests of stakeholders.	The human rights of the stakeholders are violated due to illegal activities, or the environment is polluted due to environmental crimes and other negative impacts, or even penalties imposed by competent authorities.	<ul style="list-style-type: none"> Employee complaint mailboxes. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Tip-off hotline and email address. Set up a Stakeholder zone on the official website providing corresponding contact channels. 	<ul style="list-style-type: none"> Review the deficiencies in each specific case of which penalties are imposed and make improvements accordingly. Incorporate deficiencies of relevant legal compliance into the assessment criteria for the implementation of subsidiaries' regulatory compliance systems. The personnel involved in the violation will be discussed and punished according to the employee reward and punishment system. 	<ul style="list-style-type: none"> Whenever a major regulatory violation is discovered, it should be reported to the Directors immediately, and report to the Audit Committee and Board of Directors on compliance matters every 6 months. The report shall contain an analysis of the causes of significant deficiency or malpractice in compliance matters, possible impacts, as well as recommendations for improvement. Follow up the improvement status in the "Task Force on Legal Compliance and AML/CFT" meetings held every quarter and the "Compliance Committee" meetings held every 6 months.
 <p>Protection of Customer Rights</p>	Provide a comprehensive customer communication mechanism to understand customer feedback on financial products and services promptly and protect the rights of customers from being violated.	If customers are treated unfairly, or the Company fails to understand their needs, this may violate customer rights due to operating procedures or services, resulting in customer distrusts.	<ul style="list-style-type: none"> 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Set up customer feedback boxes at business locations. Require business management units or business locations dedicate personnel or supervisors responsible for customer complaints for timely and appropriate handling. 	<ul style="list-style-type: none"> Conduct regular education and training for employees, and collect and compile customer complaint cases to strengthen education and training, and promotion. Incorporate actions of handling customer complaints into the performance assessments to improve each unit's quality of handling complaints and prevent incidents from occurring. When handling complaint cases, in addition to informing customers of the preliminary actions taken, the Company should also understand the cause of the complaint and adopt appropriate measures based on the level of risks and severity of the case. 	<ul style="list-style-type: none"> Establish a "Consumer Protection and Fair Customer Treatment Promotion Committee" responsible for formulating and supervising "Fair Customer Treatment Policy" and "Strategy of the Principles for Treating Customers Fairly." The committee reviews and improves the handling of customer complaints and financial consumer dispute cases, as well as measures for improving fair customer treatments, and reports them to the Board of Directors. Regularly collect messages and compile and report the reasons analyzed and improvement plans reviewed by each business management unit. Regularly monitor the business management unit's implementation of resolutions made by the "Consumer Protection and Fair Customer Treatment Promotion Committee".
 <p>Climate Strategies and Actions</p>	Assessing the financial impacts of climate change and investing resources to develop sustainable financial products in advance to improve global warming issues, promote sustainable market, and develop new business models related to sustainability.	Fail to evaluate and take relevant actions on climate change in advance has led the Company to face climate-related financial losses and indirectly contribute to worsening global warming, extreme weather, and biodiversity extinction crisis.	Set up a Stakeholder zone on the official website providing corresponding contact channels.	Identify, assess, response to significant climate risks, and establish limits for "large polluting and carbon intensive industries."	Monitor and report on risk exposures of "large polluting and carbon intensive industries" on a monthly basis, and submit various risk management information to the Risk Management Committee, Audit Committee and the Board of Directors every quarter.





Material Topic	Positive Impact	Potential/Actual Negative Impact	Channels for Filing Complaints and Seeking Remedies	Remedial Measures	Process of Internal Improvements and Tracking Methods
 Financial Inclusion	To protect the rights of various groups to access financial services and introduce inclusive financial products to promote social equity and realize inclusive growth.	Disadvantaged groups are unable to access affordable financial services or lack of barrier-free facilities resulting in the violation of the rights of people with disabilities.	<ul style="list-style-type: none"> Business units. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. 	<ul style="list-style-type: none"> Formation of "Financial Inclusion Policy". The Company actively and continuously follows the "Friendly Financial Service Guidelines for Banks" to provide friendly financial services to people with disabilities and affordable financial services to disadvantaged groups. The Company cooperate with insurance companies to promote "micro personal accident insurance" and "small amount whole life insurance", enabling specific groups or economically disadvantaged groups to obtain basic protection. 	<ul style="list-style-type: none"> Strengthening the education and training on friendly financial services to establish a corporate culture that values friendly financial services. Record the implementation status of friendly financial service measures every year and optimize barrier-free facilities that need improvements in accordance with relevant regulations.
 Corporate Governance	Combining corporate governance structure with governance charters stipulated by referring to actual operations and such bylaws as "Articles of Incorporation" and "Corporate Governance Best Practice Principle" to establish a well-grounded corporate governance system and hence sound operations.	Poor management by the Board of Directors and functional committees has led to incorrect decisions regarding operations and business development, financial losses of the Company, violation of customer rights and other negative impacts.	<ul style="list-style-type: none"> Employee complaint mailboxes. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Tip-off hotline and email address. Set up a Stakeholder zone on the official website providing corresponding contact channels. 	<ul style="list-style-type: none"> Relevant laws and regulations are formulated and are complied with accordingly. Regularly conduct relevant education and training for the Group's senior executives and all employees, appropriately arrange directors' advanced training, and participate in lectures, seminars, and seminars covering corporate governance topics such as finance, risk management, business, legal affairs, accounting, or internal control systems. 	<ul style="list-style-type: none"> Internal performance evaluations are carried out by both the Board of Directors and the functional committees every year. External institutions, teams of experts or scholars are commissions to carry out evaluation at least every 3 years, and the results of the internal and external performance evaluation will be reported to the Board of Directors by the end of March of the following year. The meeting minutes of the "Ethical Management Committee" and the "Remuneration Committee" are submitted to the Board of Directors for reference. Conduct the "Communication Symposium between the Audit Committee and the Internal Audit Supervisor" and the "Symposium between Responsible Persons (Directors) and Internal Auditors" every 6 months.
 Risk Management	Establish an effective risk management mechanism to ensure a quick recovery, and safeguard the asset security when crisis occur, and maintain the stability of financial market.	Fail to manage risks in advance may cause damage to the rights and interests of customers, and the Company will face financial losses, operational crises, damage to reputation or other negative impacts that are difficult to measure.	<ul style="list-style-type: none"> Employee complaint mailboxes. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Tip-off hotline and email address. Set up a Stakeholder zone on the official website providing corresponding contact channels. 	<ul style="list-style-type: none"> Relevant concentration limits determined according to the categories of industries, industry of concerns, country, same group, operational risks and reporting of significant credit risk and other operation regulations are formulated. Establish early warning and implement response measures, strengthen credit and investment business management through real-time reporting and tracking, and improve risk management efficiency. 	Monitor and report on various limits and risk exposures on a monthly basis, and submit various risk management information to the Risk Management Committee, the Audit Committee and the Board of Directors every quarter.



Material Topic	Positive Impact	Potential/Actual Negative Impact	Channels for Filing Complaints and Seeking Remedies	Remedial Measures	Process of Internal Improvements and Tracking Methods
 Employee Remuneration and Benefits	To create a good working environment and inspire employees' enthusiasm and synergy, TCFHC has a comprehensive remuneration and benefits program, providing stable remunerations and multi-faceted employee benefits to better the employees' mental and physical health and create a happy workplace.	Without reasonable and competitive compensation and welfare systems, brain drain or talent gap can occur to impact operations and developments.	<ul style="list-style-type: none"> Employee complaint mailboxes. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Tip-off hotline and email address. 	<ul style="list-style-type: none"> Formulate reasonable compensation policies and build a diverse and friendly workplace. The Group provides employee benefit measures that are superior to regulatory standards, such as pregnancy leave, maternity leave, pregnancy check-up leaves, and miscarriage leave, making adjustments and additions whenever necessary. Provide the employee stock ownership trust to increase the willingness of employees to stay with the Company for the long haul. In support of government policies, the maternity pension is provided to encourage employees to procreate. 	<ul style="list-style-type: none"> Evaluate factors such as operating conditions, industry conditions, salary increases for civil servants, and commodity prices, and adequately adjust salaries. Evaluate, adjust or add employee benefits adequately reflective of the operating conditions and industry conditions. Understand if employees are satisfied with the Company's compensation and welfare measures through employee satisfaction surveys.
 Ethical Management	Combine integrity and moral values as part of the Company's business strategy to avoid dishonesty, implement the Company's integrity management philosophy, and enhance corporate transparency and customer trust.	In cases of violations of integrity management, the Company and its customers may bear losses and may even be punished by the competent authority, which will impact the Company's image and operational performance.	<ul style="list-style-type: none"> Employee complaint mailboxes. 24/7 toll-free customer service hotline, customer service email, and the complaint channel. Tip-off hotline and email address. Set up a Stakeholder zone on the official website providing corresponding contact channels. 	<ul style="list-style-type: none"> Corporate regulations such as the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedure for and Behavioral Guide to Ethical Corporate Management Best Practice" are defined to be followed. Signed the "Declaration on the Compliance of Ethical Management by Directors and Senior Management" and "Statement of Employee Code of Conduct". Regularly conduct relevant education and training for the Group's senior executives and all employees. 	<ul style="list-style-type: none"> Internal performance evaluations are carried out by the Ethical Management Committee every year. External institutions, teams of experts or scholars are commissions to carry out evaluation at least every 3 years, and the results of the internal and external performance evaluation will be reported to the Board of Directors by the end of March of the following year. The Company and subsidiaries report compliance status of the Ethical Corporate Management Best Practice Principles to their respective Board of Directors every year.
 Equality, Diversity, and Inclusion of Human Rights	All groups have equal rights to work, equality and diversity of employees are promoted, the level of working environment friendliness is improved, and employment discrimination is eliminated.	Employees work overtime, gender-friendly workplace is not implemented, and employment discrimination appears.	<ul style="list-style-type: none"> Employee complaint mailboxes. Sexual harassment complaint hotline. Regular employer-employee meetings are held quarterly. 	<ul style="list-style-type: none"> Regular reviews are conducted on the status of each units working overtime every month to avoid abnormal workloads. The "Human Rights Policy" is formulated to prevent discrimination and sexual harassment, the "Measures of Prevention, Correction, Complaint, Investigation, and Punishment of Sexual Harassment at Workplace" is formulated, and the "Sexual Harassment Complaints Review Committee" is established to handle cases of sexual harassment complaints. 	<ul style="list-style-type: none"> In addition to conducting audits on units with abnormal number of hours worked overtime, personnel are also irregularly assigned to inspect the implementation status of each units working overtime. Conduct human rights due diligence annually to review the frequency of occurrence and level of influence of human rights risks regularly, and propose improvement measures, and review the execution result of "Human Rights policies".





2023 Goals and Status of Achievement on Material Topics







Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025-2029) Goals
	Goals	Actual Implementation by Strategy			
<p>Information Security</p>	TCB, BNP TCB Life, and TCS maintained the validity of the "ISO 27001 Information Security Management" certifications.	TCB, BNP TCB Life, and TCS maintained the validity of the "ISO 27001 Information Security Management".	<p>Achieved</p>	TCB, BNP TCB Life, and TCS maintained the validity of the "ISO 27001 Information Security Management" certifications.	Continuously encourage subsidiaries to obtain "ISO 27001 Information Security Management" certifications.
	TCB to maintain the validity of "ISO 22301 Business Continuity Management System" certification.	TCB achieved the follow-up review in October.		TCB to maintain the validity of "ISO 22301 Business Continuity Management System" certification.	
	Hold 1 simulation drill of the Group's information security incidents and emergency response plan every 6 months.	The Company and each of its subsidiaries have achieved situational drills on information security incidents and emergency response plans in the 1 st and 2 nd halves of the year.		Continue to hold 1 simulation drill of the Group's information security incidents and emergency response plan every 6 months.	
	Each subsidiary of the Group continues to conduct educational training on information security every year, with a completion rate of 100%, and the pass rate on information security reached 100% (including TCB's information security education and training courses for directors, supervisors, and senior management).	<ul style="list-style-type: none"> Each subsidiary of the Group achieved information security training with a completion rate of 100% by December. TCB held information security training for directors, supervisors, and senior management by March. 		Each subsidiary of the Group continues to conduct educational training on information security every year, with a completion rate of 100%, and the pass rate on information security reached 100% (including TCB's information security education and training courses for directors, supervisors, and senior management).	
	To encourage IT personnel of the subsidiaries to obtain international information security certification.	International information security certification of information security staff at respective subsidiaries is included as part of the annual performance assessment of information security management efficacy. TCB obtained 127 international information security certification, 5 for TCS, and 10 for BNP TCB Life.		Continue to encourage IT personnel of each subsidiary to obtain international information security certifications and incorporate the information security execution result as an evaluation item.	
<p>Sustainable Finance</p>	TCB has handled 213 loan cases on urban renewal and time-worn reconstruction with a total amount of NT\$142 billion.	TCB has handled 242 loan cases on urban renewal and time-worn reconstruction with a total amount of NT\$174.19 billion.	<p>Achieved</p>	TCB has handled 252 loan cases on urban renewal and time-worn reconstruction with a total amount of NT\$178 billion.	TCB continuously to increase the number and amount of loans to urban renewal and time-worn building construction projects by 10% every year.
	TCB to approve NT\$600 billion in "Six Core Strategic Industries".	TCB to approve NT\$655.039 billion in "Six Core Strategic Industries".		TCB to approve NT\$632 billion in "Six Core Strategic Industries".	TCB to increase NT\$10 billion in "Six Core Strategic Industries" every year.
	TCB to support offshore wind power and green industries and reach 2,667MW in total installed capacity of renewable energy financing by the end of 2023.	TCB has approved 2,855MW in total installed capacity of renewable energy financing.		TCB to support offshore wind power and green industries and reach 2,900MW in total installed capacity of renewable energy financing by the end of 2024.	TCB continuously to support offshore wind power and green industries, increase 130MW every year.
	TCB to add NT\$883 million in green consumer loans.	TCB to add NT\$1.385 billion in green consumer loans.		TCB to add NT\$974 million in green consumer loans.	TCB to set annual growth rate of 10% on the total amount of green consumer loan.

Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
<p>Sustainable Finance</p>	TCB issued green/CSR/sustainable bonds for a total of NT\$67 billion to be invested in green finance.	TCB issued green/CSR/sustainable bonds for a total of NT\$73.781 billion to be invested in green finance.	<p>Achieved</p>	<ul style="list-style-type: none"> Issue at least 1 sustainable development bond every year. The investment ceilings of TCB in industrial sectors that are known for high levels of pollution and high carbon emissions are 24%. 	<ul style="list-style-type: none"> Issue at least 1 sustainable development bond every year. The investment ceilings of TCB in industrial sectors that are known for high levels of pollution and high carbon emissions increased by 1% from the preceding year.
	TCVC increases its balance of green investments by 10%, that is, NT\$27.5 million, each year compared to the preceding year.	TCVC invested in 1 project, with the balance of investment being NT\$31.23 million.		TCVC expects to increase the new amount of green investment by NT\$35 million.	TCVC expects to increase the new amount of green investment by 10% compared with the previous year's target, but it will not exceed 5% of its net worth.
	TCB to increase the number of eco-friendly credit cards issued to 160,000 or higher.	TCB to increase the number of eco-friendly credit cards issued to 181,300.		TCB to increase the number of eco-friendly credit cards issued to 200,000 or higher.	TCB to issue 20,000 eco-friendly credit cards every year and the number of total eco-friendly credit cards to reach 300,000 or higher.
	TCB: 1.Participate in Mastercard's "Priceless Planet Coalition" global reforestation program. 2.Strengthen the promotion of e-bill.	TCB: 1. Allocated US\$5,000 to take part in the Mastercard's "Priceless Planet Coalition" global reforestation program. 2. Launched multiple marketing campaigns to strengthen the promotion of electronic billing, and provided electronic barcodes for credit card payment on the APP. Cardholders can scan the code to pay credit card fees at 3 major convenience stores in Taiwan. Continuous efforts are made to encourage cardholders to take advantage of the paperless service.		TCB: 1. Participate in Mastercard's "Priceless Planet Coalition". 2. Reinforce the promotion of paperless practice while living a sustainable green life together with cardholders.	TCB to obtain carbon reduction label certification for credit cards by 2026.
	TCS: 1. Disclose regularly stewardship information on the website. 2. Continue to monitor invested companies and engage with them in a timely manner to fulfill the duty of stewardship.	TCS: 1. The voting records for 2022 have been disclosed on the official website, and the annual due diligence report was presented to the Board of Directors in September and was disclosed to the public. 2. The 2022 engagement records were disclosed to the public in September.		TCS: 1. TCS to submit the annual due diligence report to the Board of Directors for review, and publish in the Sustainable Development section of the official website and declared through the "Securities and Futures Industry ESG Implementation Information Control System".	TCS to include ESG topics in the investment decision making process, strengthen interactions on ESG topics with invested companies, and improve the content of ESG disclosures in the stewardship report.
	TCB has an electronic voting rate of over 94%, while TCS has over 94.4%, and TCSIT has over 96% when attending shareholders' meetings held by TWSE/TPEX listed companies in which they invest.	TCB, TCS and TCSIT have an electronic voting rate of 100% of the TWSE/TPEX listed companies in which they invested.		TCB has an electronic voting rate of over 95%, while TCS has over 94.4%, and TCSIT has 100% when attending shareholders' meetings held by TWSE/TPEX listed companies in which they invest.	TCB has an electronic voting rate of over 97%, while TCS has over 96.4%, and TCSIT has 100% when attending shareholders' meetings held by TWSE/TPEX listed companies in which they invest in 2028.





Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
 Sustainable Finance	TCB to consider constituents of FTSE4Good TIP Taiwan ESG Index, MSCI Taiwan ESG Sustainability High Dividend Yield 30 Index, Taiwan Employment Creation 99 Index, TWSE RAFI Taiwan High Compensation 100 Index, or Taiwan CG 100 Index when selecting stocks. These companies are to account for 60% or more of TCB's domestic stock portfolio.	The constituents of indexes related to ESG invested by TCB account for 73.28% of domestic stock portfolio.	 Achieved	TCB to consider constituents of FTSE4Good TIP Taiwan ESG Index, MSCI Taiwan ESG Sustainability High Dividend Yield 30 Index, Taiwan Employment Creation 99 Index, TWSE RAFI Taiwan High Compensation 100 Index, or Taiwan CG 100 Index when selecting stocks. These companies are to account for 62% or more of TCB's domestic stock portfolio.	TCB to consider constituents of FTSE4Good TIP Taiwan ESG Index, MSCI Taiwan ESG Sustainability High Dividend Yield 30 Index, Taiwan Employment Creation 99 Index, TWSE RAFI Taiwan High Compensation 100 Index, or Taiwan CG 100 Index when selecting stocks. Shareholding in these companies is to increase by 2% every year to 72% by 2029.
	BNP TCB Life is present in 90% of the annual general meetings hosted by TWSE/TPEX listed companies in which it invests. <ul style="list-style-type: none"> To follow the SBTi methodology to set SBTs in order to encourage internal parties or influence invested parties to implement carbon reduction. Conduct inventories on amount of carbon emission and carbon emission intensity of the investment and financing portfolio in scope 3. 	BNP TCB Life was present in 100% of the annual general meetings hosted by TWSE/TPEX listed companies in which it invested. <ul style="list-style-type: none"> In December 2022, the mid-term carbon reduction goal was set and submitted to the SBTi for review and was approved in August 2023. The inventory check was achieved at the end of June. 		BNP TCB Life to disclose regularly stewardship information on the website every year. <ul style="list-style-type: none"> Continue to conduct inventories on amount of carbon emission and carbon emission intensity of the investment and financing portfolio in scope 3. By 2027, 35.7% of the equity and corporate bond investment portfolio of TWSE/TPEX Listed Companies set SBT. By 2027, 35% of the corporate loan portfolio will set SBT separately, covering the industries of petrochemicals, oil gas, steel, pulp and paper, cement, transportation, and electronics manufacturing, with 100% of the petrochemicals and oil and gas industry set SBT. 	
 Digital Finance	TCB to increase total transaction volume through e-channels by 5%, or 43,214,815 transactions.	TCB's total electronic transactions volume reached 45,120,451.	 Achieved	TCB to increase the actual transaction volume through e-channels by 5% compared to previous year.	TCB to increase total transaction volume through e-channels by 25%.
	TCS: <ol style="list-style-type: none"> Simple management of stock pledged as collateral: Add functions of stock to be pledged as collateral (i.e. loans for any purpose) to the TCS APP. Plan to self-develop a securities wealth management APP. Optimize the securities mobile app and provide real-time quotes of U.S. stocks for people who have applied for sub-brokerage. 	TCS: <ol style="list-style-type: none"> Simple management of stock pledged as collateral: It was launched at the end of June. Securities wealth management app: It was launched at the end of June. Real-time quotes of U.S. stocks for people who have applied for sub-brokerage: It was launched at the end of June. 		TCS: <ol style="list-style-type: none"> The TCS APP has an overseas bonds section added to provide research reports, inventory and dividend distribution information. The QR-Code feature is planned and set up for online account-opening service to facilitate the promotion of account-opening by colleagues. The TCS Mobile APP has the Japanese stock settlement feature added to maximize the sub-brokerage service available for overseas markets. 	TCS: <p>The online service feature is strengthened, with the one-stop shared online account-opening option in place, to provide customers with guidance on how to complete the application form for opening an e-savings account and online securities account at the same time.</p>
	The actual number of users of TCB intelligent customer services increase by 45,000 compared to the previous year.	The actual number of users of TCB intelligent customer services increase by 52,000 compared to the previous year.		The actual number of users of TCB intelligent customer services increase by 52,000 compared to the previous year.	The number of users of TCB intelligent customer services increase by 460,000 in 2029 compared to 2024.
	TCB's mobile banking to increase the number of accounts by 180,000.	TCB's mobile banking to increase the number of accounts by 191,700.		TCB's mobile banking aims to increase the number of accounts by 185,000.	TCB's mobile banking aims to increase the number of accounts by 995,000 from 2025~2029.
	TCB's credit cards to bundle with Taiwan Pay mobile payment is 166,000.	TCB's credit cards to bundle with Taiwan Pay mobile payment is 170,700.		TCB's credit cards to bundle with Taiwan Pay mobile payment is 179,000.	TCB's credit cards to bundle with Taiwan Pay mobile payment to be over 244,600 by 2029.



Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
 Digital Finance	TCB: 1. Submit 550 patent applications to the Intellectual Property Office, Ministry of Economic Affairs. 2. Continue to adopt innovation governance to train CoLAB members as seed staff to assist in promoting significant digital transformation projects or promote innovative programs to verify commercial viability on a small scale.	TCB: 1. As of the end of December, a total of 802 patent applications have been submitted. 2.CoLAB ① The concept of "Customer Experience Guidelines" is promoted, with the review of 2 "Digital Customer Experience Guidelines" achieved and collaboration with the "Enterprise Customer Service Network - SMEs and Micro Enterprise Loan Application Network" of the Corporate Banking Department in the design of relevant customer experience content. ② Innovation training courses were held, with a cumulative headcount of 236 trainees. The total number of visits to the loan marketing website as of the end of December exceeded 130,000 times, resulting in the successful approval of thousands of loan. ③ For the trust experience innovation program, 2 innovation evaluations, 18 courses, customer questionnaires and 15 interviews were Achieved, with 6 innovative ideas and 1 trust innovation solution landing plans generated.	 Achieved	TCB: 1. Submit 900 patent applications to the Intellectual Property Office, Ministry of Economic Affairs. 2. "Digital Marketing" aims at cross-department proposals and development of staff with agile innovation and digital marketing mindsets to enhance customer experience. 3. Implement the "AI Innovative Application" plan and collaboratively define the AI to be applied by employees through AI maturity assessment.	TCB: 1. Submit a total of 1,400 patent applications to the Intellectual Property Office, Ministry of Economic Affairs. 2. CoLAB continues to respond to project goals and agile organizational trends by promoting a flexible project organization with CoLAB members as seed staff and leading various large innovative projects and introducing applicable innovative AI technologies.
	TCB's newly added ATM cards/accounts to bundle with Taiwan Pay mobile payment is 220,000.	TCB's newly added ATM cards/accounts to bundle with Taiwan Pay mobile payment is 224,200.		TCB's newly added ATM cards/accounts to bundle with Taiwan Pay mobile payment is 228,000.	TCB's newly added ATM cards/accounts to bundle with Taiwan Pay mobile payment to be 1.2 million from 2025~2029.
	TCB to raise utilization of digital FCY accounts to 30%.	TCB's utilization of digital FCY accounts is 30.73%.		TCB to raise the overall utilization of digital FCY accounts to 35%.	TCB's overall utilization of digital FCY accounts to grow by 5% every year.
	TCB: 1. 10 new insurance products have been launched onto the mobile insurance application. 2. 15% growth in mobile insurance applications (1,447 new applications).	TCB: 1. 10 new insurance products have been launched onto the mobile insurance application. 2. 1,468 new mobile insurance applications for the year.		TCB: 1. 10 new insurance products have been launched onto the mobile insurance application. 2. 15% growth in mobile insurance applications (1,726 new applications).	TCB: 1. 60 new insurance products have been launched onto the mobile insurance application. 2. 15% growth each year in mobile insurance applications.
	1,800 new contracts to be signed with merchants providing TCB's Taiwan Pay QR Code services.	3,896 new contracts were signed with merchants providing TCB's Taiwan Pay QR Code services.		3,000 new TWQR contract stores to provide TCB's Taiwan Pay TWQR Code services.	15,000 new contract stores between 2025 and 2029 to provide TCB's Taiwan Pay TWQR Code services every year.





Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
 <p>Legal Compliance</p>	Utilizing REGTECH platform to enhance the efficiency of regulatory.	The latest regulations are communicated through the legal compliance technology platform and the amendment progress of each unit is automatically tracked. In 2023, a total of 492 regulatory letters and orders and a total of 104 cases of punishment imposed by the FSC to counterparts were communicated. The platform's "message reminder" feature reminds of updates made to electronic regulations.	 <p>Achieved</p>	Utilizing REGTECH platform to enhance the efficiency of regulatory.	Continue to optimize REGTECH platform, pay attention to the competent authorities' policy and key points on supervision of REGTECH and introduce REGTECH with caution.
	<p>Training for directors, supervisors, and executives in the Group is organized. On-the-job training is provided to employees on an ongoing basis and general tests and mystery guest tests are arranged.</p> <ul style="list-style-type: none"> Continue to supervise the subsidiaries to organize relevant training on compliance, AML/CFT, and whistleblowing system, and make version differences in the regulations and frequently occurred errors in internal/external inspections part of training in order to raise awareness. Respective subsidiaries are visited for audits at least once every 6 months and onsite assistance is provided as needed from time to time. 	<p>Training on "AML/CFT Educational Training" was arranged for directors, supervisors, and executives in the Group. General tests and mystery guest tests are achieved, and performance was rated good.</p> <ul style="list-style-type: none"> The handling status of each subsidiary has been followed up continuously through the monthly AML/CFT reports, legal compliance and AML/CFT quarterly meetings held by the task forces, and meetings of the Legal Compliance Committee held once every half year. It is also included in the review of on-site inspections conduct once every half year. Site audits are achieved for the 1st and 2nd halves of the year for all subsidiaries and audit findings are included in the compliance system implementation evaluation. 		<p>Training for directors, supervisors, and executives in the Group is organized every year. Relevant on-the-job training is provided to employees on an ongoing basis and general tests and mystery guest tests are arranged.</p> <ul style="list-style-type: none"> Continue to supervise the subsidiaries to organize relevant training on compliance, AML/CFT, and whistleblowing system according to the educational and training plan for the year. Make version differences in the regulations and frequently occurred errors in internal/external inspections part of training in order to raise awareness. Respective subsidiaries are visited for audits at least once every 6 months and onsite assistance is provided as needed from time to time. 	<p>Continue to strengthen the foundation of AML/CFT.</p> <p>Deepen corporate legal compliance culture on an ongoing basis.</p>
 <p>Protection of Customer Rights</p>	<ul style="list-style-type: none"> TCB, and BNP TCB Life reached a satisfaction rate of over 92.5% or a decrease in number of customer complaints every year. TCS reached a satisfaction rate of over 92% or a decrease in number of customer complaints every year. 	<ul style="list-style-type: none"> Customer satisfaction in the service performance evaluation for TCB business units was 92.5%, with 198 of customer complaints, down by 18 compared to the previous year. TCB's customer satisfaction for wealth management services was 95.19%. BNP TCB Life achieved a customer satisfaction rate of 98% with 87 customer complaints, down by 11 compared to the previous year. Satisfaction toward customer service of TCS was 100%. 	 <p>Achieved</p>	<ol style="list-style-type: none"> TCB has the gradual improvement in satisfaction to be over 93% and the annual satisfactory completion rate of 80% and above as its goals. BNP TCB Life and TCS reached a satisfaction rate of above 95% or yearly decrease in number of customer complaint. 	<ol style="list-style-type: none"> TCB has the gradual improvement in satisfaction to be over 95% and the annual satisfactory completion rate of over 80% as its goals. BNP TCB Life and TCS reached a satisfaction rate of above 95% or yearly decrease in number of customer complaint.
	TCB, TCS, TCBF, BNP TCB Life, and TCSIT to achieve a 100% completion rate for training on the "Principles for Treating Customers Fairly".	ALL achieved a 100% completion rate for training on the "Principles for Treating Customers Fairly".		TCB, TCS, TCBF, BNP TCB Life, and TCSIT to achieve a 100% completion rate for training on the "Principles for Treating Customers Fairly".	

Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
 Protection of Customer Rights	TCB and BNP TCB Life continue to maintain the validity of the "BS 10012:2017 PIMS" certifications.	Both continued to maintain the validity of the "BS 10012:2017 PIMS" certifications.	 Achieved	TCB and BNP TCB Life continue to maintain the validity of the "BS 10012:2017 PIMS" certifications.	<ul style="list-style-type: none"> • TCB and TCS to be ranked in top 25% outstanding bank and bill dealer by the "Financial Service Industry Principles for Treating Customers Fairly". • BNP TCB Life to be ranked in top 25% by 2025.
	To have validity of TPIPAS issued dp.mark certificate remained for TCS.	TCS has passed the verification for renewal.		To have validity of TPIPAS issued dp.mark remained for TCS.	
	All subsidiaries organize personal information protection system training and achieve 100% completion rate.	All subsidiaries have organized personal information protection system training and achieve 100% completion rate.		All subsidiaries continuously organize personal information protection system training and achieve 100% completion rate.	
	TCB and TCS continuously to be ranked in top 25% by the "Financial Service Industry Principles for Treating Customers Fairly".	Both to be ranked in top 25% outstanding bank and bill dealer by the "Financial Service Industry Principles for Treating Customers Fairly".		TCB continuously to be ranked in top 25% by the "Financial Service Industry Principles for Treating Customers Fairly".	
 Climate Strategies and Actions	<ul style="list-style-type: none"> • Expand the scope of scenario analysis of physical risks, transition risks to investment positions. • Prepare the Group's TCFD report to strengthen its management of climate change risk and increase information transparency. • 3rd party TCFD certification is to take place. 	<ul style="list-style-type: none"> • Finished expanding the scope of scenario analysis of physical risks and transition risks to investment positions and disclosing them in the TCFD Report and on the official website. • Finished compiling the 1st TCFD Report of the Group and disclosing it on the official website. • TCFD Report obtained the highest level certification of "Level 5+: Excellence" by BSI in 2022. 	 Achieved	<ul style="list-style-type: none"> • Introduce and disclose TNFD and analyze collaterals and biodiversity hotspots at operating sites. • Deepen the actual climate scenario analysis. 	Continue to improve the relevant application of climate scenario analysis and stress tests according to international researches and the development of domestic regulations stipulated by the competent authorities.
 Financial Inclusion	Bilingual branches are established evenly in Northern, Central, and Southern Taiwan, with a total of 40 branches being established.	40 bilingual branches have been established.	 Achieved	Bilingual branches are established evenly in Northern, Central, and Southern Taiwan, with a total of 46 branches being established.	<ul style="list-style-type: none"> • To upgrade 46 branches to bilingual service in 2025. • To establish a total of 47 bilingual branches in 2026 and all branches offer bilingual services.
	1,365 new housing loans for youths are approved.	3,465 new housing loans for youths are approved.		2,400 new housing loans for youths are approved.	The new approved cases for housing loans for youth increase by 5% every year compared to the previous year.
	2,000 new loans for youth entrepreneurs are approved.	2,545 new loans for youth entrepreneurs are approved.		2,100 new loans for youth entrepreneurs are approved.	The new approved cases for loans for youth entrepreneurs increase by 5% every year compared to the previous year.

Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
 Financial Inclusion	29 new loans for students studying aboard are approved.	40 new loans for students studying aboard are approved.	 Achieved	30 new loans for students studying aboard are approved.	The new approved cases for loans for students studying aboard increase by 5% every year compared to the previous year.
	TCB to add 5,250 new beneficiaries to the property trust of seniors and the disabled.	TCB added 8,314 new beneficiaries to the property trust of seniors and the disabled.		TCB to add 5,500 new beneficiaries to the property trust of seniors and the disabled.	The number of beneficiaries added to the property trust of seniors and the disabled from 2025 to 2029 is 5,750, 6,000, 6,250, 6,500, and 6,750 people, respectively.
	TCB to target to increase the amount of reverse mortgage by NT\$1.85 billion.	TCB increased the amount of reverse mortgage by NT\$2.01 billion.		TCB to increase the amount of reverse mortgage by NT\$2.127 billion.	TCB to target to increase the amount of reverse mortgage to reach NT\$3.67 billion by 2029, with an annual growth of 15%.
	BNP TCB Life: <ol style="list-style-type: none"> To develop new products and targets according to the needs of insurance for the elderly customers, including USD denominated whole life insurances, and has launched the USD denominated whole life insurances product in the 1st quarter. To join the FundRich protection-type insurance products platform to offer small amount whole life insurance, term life insurance, and critical illness insurance products. 	BNP TCB Life: <ol style="list-style-type: none"> USD denominated whole life insurance products became available online in advance at the end of 2022. Small-amount whole life insurance and its injury rider became available in July and term life insurance and critical illness insurance in December on the FundRich protection-type insurance products platform. 		BNP TCB Life: <ol style="list-style-type: none"> In the 1st quarter, the 7-year regular payment USD interest sensitive life insurance is launched and existing products are optimized. In the 1st and 2nd halves of the year, new robust choices are added, respectively, to meet customers' retirement funding needs. 	By 2028, BNP TCB Life plans to launch 10 products, including 1 spillover insurance policy, for elderly customers.
 Corporate Governance	To conduct internal evaluation of individual directors, Board of Directors and functional committees.	The 2023 internal performance evaluation results showed that the Board of Directors, the functional committees and individual directors were "good". There was also the external evaluation of the performance of the Board of Directors. The Company's comprehensive performance in the 3 major constructs, namely, "Structure of the Board of Directors", "Members" and "Process and Information" were "Advanced", "Advanced" and "Benchmark".	 Achieved	To conduct internal evaluation of individual directors, Board of Directors and functional committees.	Continue to conduct internal performance evaluations of the individual directors, Board of Directors, and functional committees every year, and conduct external performance evaluations every 3 years. Continue to push for establishment of interlinked review system between remuneration and performance evaluation of the Board of Directors.
	All directors to have an average attendance rate of over 85% for the Board of Directors meeting in the current year. All independent directors to reach an average attendance rate of over 80% or higher for meetings of functional committees (audit, remuneration, and ethical management committees).	All directors to have an average attendance rate of 95% for the Board of Directors meeting in the current year. All independent directors to reach an average attendance rate of 100% for meetings of functional committees.		All directors to have an average attendance rate of over 85% for the Board of Directors meeting in the current year. All independent directors to reach an average attendance rate of over 80% for meetings of functional committees (audit, remuneration, and sustainable development committees).	To push for either gender to hold 1/3 or more of the seats on the Board of Directors.
	To be selected as a constituent of "TWSE Corporate Governance 100 Index".	Has been selected as a constituent of "TWSE Corporate Governance 100 Index".		Continue to be selected as a constituent of "TWSE Corporate Governance 100 Index".	

Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
 Risk Management	To assist and supervise each subsidiary in bettering capital planning in response to financial supervisory trend so as to meet supervisory requirements by competent authorities.	In order to comply with the internal capital management requirements of Domestic Systemically Important Banks (D-SIBs), TCB has formulated its goals of capital adequacy ratio in 2023, and set goals for risk assets in the risk appetite framework. TCB continuously monitored and reviewed these goals on a monthly and quarterly basis and made flexible adjustments to improve the efficiency of capital utilization more efficiently.	 Achieved	<ul style="list-style-type: none"> To optimize the identification, measurement, monitoring, and control procedures of emerging risks. TCB is urged to apply with the competent authority for credit risk-based capital appropriation using the internal rating method (IRB) to improve capital utilization efficacy, and by introducing the IRB method, the rating results can be applied more extensively in business risk assessment to advance in risk management effectiveness. 	Continuously improve various risk management mechanisms in response to increasingly strict international supervisions.
 Equality, Diversity, and Inclusion of Human Rights	<ul style="list-style-type: none"> Each subsidiary within the Group shall establish promotion, performance evaluation, and reward systems that are open and transparent and pay attention to equality in the workplace. TCB should establish a multi-dimensional performance evaluation system. 	<ul style="list-style-type: none"> Companies within the Group has established their own employee assessment. In addition to the regular and annual assessment being used as the basis for future promotion evaluations, corresponding regulations for promotion procedures shall be formulated to be used as the basis for allocating annual business performance bonuses. Courses on sexual equality are included in all training programs for new employees. Measures of prevention of sexual harassment at workplace and the complaint channels are promoted. Of the total number of TCB's promoted employees in 2023, the ratio of women being promoted reached 60.78%; and by the end of 2023, the ratio of female supervisors had reached 55.15%. Through employee satisfaction surveys, TCB has employees to rate the leadership and managerial approach of their supervisors. Multi-dimensional performance evaluations are done at the financial holding company and each of its subsidiaries to perfect the overall appraisal system. 	 Achieved	<ul style="list-style-type: none"> Each subsidiary within the Group shall establish promotion, performance evaluation, and reward systems that are open and transparent and pay attention to equality in the workplace. TCB should establish a multi-dimensional performance evaluation system. 	Companies within the Group shall establish promotion, performance evaluation, and reward systems that are open and transparent and continue to pay attention to equality in the workplace.
	The ratio of disabled employees hired by the Group reached 1%.	In 2023, the total number of disabled employees employed by the whole Group was 113 (including 26 severely disabled), and the employment rate reached 1.22%.		The ratio of disabled employees hired by the Group reached 1%.	The Group continues to maintain the employment of employees with disabilities at a rate of over 1%.
	More than 90% of TCB and TCS employees joined the labor union.	8,874 employees of TCB and TCS joined the labor union, accounting for 99.03%.		More than 90% of TCB and TCS employees joined the labor union.	

Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025-2029) Goals
	Goals	Actual Implementation by Strategy			
 <p>Employee Remuneration and Benefits</p>	TCB conducted the year-end promotion evaluation among employees; employees' salaries increased by up to 2.5% on average.	TCB conducted the year-end promotion evaluation, with a mean salary increase of up to 2.65%.	 <p>Achieved</p>	TCB continues with the year-end promotion evaluation program among employees, with a mean annual salary increase remaining at 2.5%.	
	TCB proactively implemented the employee stock ownership trust system to bring the enrollment rate among employees up to 95%.	8,313 employees at TCB were eligible and 8,107 of them enrolled, with an enrollment rate of 97.5%.		<ul style="list-style-type: none"> TCB continues to implement the employee stock ownership trust plan, with the employee enrollment rate remaining at 95%. Other subsidiaries proactively implemented the employee stock ownership trust system to bring the enrollment rate among employees up to 80%. 	
	The Group continued with the employee child birth allowance and subsidy policy, with the total value of the subsidies up to NT\$10 million throughout the year.	In 2023, the Group subsidized 156 employees and gave a total of NT\$19.075 million for maternity allowances.		The Group continues with the employee child birth allowance and subsidy policy, with the total value of the subsidies up to NT\$10 million throughout the year.	
	The Group provides general and specific health examination subsidies for employees above a certain age, with the total value of subsidies reaching NT\$5 million throughout the year.	<ul style="list-style-type: none"> A headcount of 873 people applied for general health examinations, with the value of subsidies reaching NT\$5.543 million. A headcount of 368 people applied for specific health examinations, with the value of subsidies reaching NT\$2.066 million. 		The Group continues with the employee health examination subsidies, with the total value reaching NT\$5 million each year.	
	TCB has retiree networking centers available in northern, central, and southern parts of Taiwan; there are the venue, facilities, newspapers, books, consumables, among others, at the disposal of retired employees to facilitate exchange and networking.	TCB continues setting up retiree networking centers in northern, central, and southern parts of Taiwan; there are the venue, facilities, newspapers, books, consumables, among others, at the disposal of retired employees to facilitate exchange and networking.		TCB provides retired employees with the networking venue, books and newspapers, consumables, among other benefits.	
	TCB cares about the lifelong happiness of single colleagues. In addition to encouraging colleagues to participate in networking events held externally, it plans to organize at least 1 internal networking event for the unmarried.	TCB held the internal networking event for unmarried colleagues in April.		In addition to encouraging colleagues to participate in networking events held externally, TCB continues to hold at least 1 internal networking event for the unmarried each year.	
	TCB continues to provide budget and subsidies for social club events in order to encourage employees to take part in leisure activities besides work.	13 employee clubs, including the badminton club, have been registered and formed at TCB, with total subsidies worth NT\$251,780.		TCB continues to subsidize social clubs and encourage employees to engage themselves to leisure activities for a balanced mind and body and relieving stress from work.	

Material Topic	2023 Goals and Progress		Status of Achievement	Short-term (2024) Goals	Medium/Long-Term (2025~2029) Goals
	Goals	Actual Implementation by Strategy			
 <p>Employee Remuneration and Benefits</p>	TCFHC and TCB has prenatal check-up and child birth leaves available for fathers-to-be that are superior to regulatory requirements as a maternal care-friendly measure.	TCFHC and TCB changed the title as required by law to "prenatal check-up and child birth leaves for fathers-to-be". The number of days involved in the leave is the same as the regulatory requirement, that is, 7 days. However, in order to facilitate employees to flexibly use the time to keep their postpartum spouses company, the duration available for the leave application has been extended to 15 days before and after child birth.	 Achieved	Respective companies throughout the Group continue to enforce maternal care-friendly measures.	
	To vie for being selected as constituents of "TWSE RA Taiwan Employment Creation 99 Index", and "TWSE RAFT" Taiwan High Compensation 100 Index".	In 2023, TCFHC continued to be selected as the "Taiwan High Salary 100 Index" and the "Taiwan Employment 99 Index" and was selected as a component stock of the index for 9 consecutive years and 7 years, respectively.		To continue to be selected as constituents of "TWSE RA Taiwan Employment Creation 99 Index", and "TWSE RAFT" Taiwan High Compensation 100 Index".	
 <p>Ethical Management</p>	TCFHC reports at least twice a year and its subsidiaries at least once a year on the compliance with the Ethical Corporate Management Best Practice Principles to the Board of Directors.	<ul style="list-style-type: none"> In March and September, TCFHC reported to the Board of Directors its fulfillment of ethical corporate management and measures adopted in 2022 and in the 1st half of 2023, respectively. Respective subsidiaries achieved this year the reporting of at least once a year compliance with the Ethical Corporate Management Best Practice Principles to the Board of Directors. 	 Achieved	TCFHC reports at least twice a year and its subsidiaries at least once a year on the compliance with the Ethical Corporate Management Best Practice Principles to the Board of Directors.	
	Continue to hold at least 1 training session related to ethical management issues for all employees, achieving a completion rate of 100%.	<ul style="list-style-type: none"> TCFHC finished organizing speeches on ethical corporate management-related topics specifically for directors and supervisors and high-ranking managers. Assistant managers and lower-ranking staff all achieved online digital learning education and training. Each subsidiary achieved educational training with a training rate of 100%. 		Continue to hold at least 1 training session related to ethical management issues for all employees, achieving a completion rate of 100%.	

CH3

Corporate Governance

Stakeholders of Concern

- + Employees
- + Shareholders/Investors
- + Customers
- + Suppliers
- + Governments and Competent Authorities
- + Media

Corresponding Material Topics

- + Information Security
- + Legal Compliance
- + Risk Management
- + Ethical Management
- + Corporate Governance

SDGs



3.1 Corporate Governance

GRI 2-9、2-10、2-11、2-12、2-13、2-14、2-15、2-16、2-17、2-18、2-19、2-20、2-21、405

Corporate governance is the 1st step to corporate sustainability and a key benchmark for measuring sustainable development. Sound corporate governance is embodied by the Board of Directors and the management operating in the context of the best interests of the company and stakeholders, providing effective oversight and assistance to the company’s management and operations to achieve business goals. Meanwhile, it also encourages the company to utilize resources and become more efficient, thereby strengthening competitiveness of the company and wellbeing of the population as a whole.

Corporate Governance Framework

TCFHC follows the FSC "Corporate Governance 3.0 - Sustainable Development Roadmap" and the TWSE and SFI "Corporate Governance Evaluation of TWSE/TPEX-Listed Companies" while enforcing corporate governance in order to effectively promote corporate governance and business results, to boost organizational operation, and to protect the rights of shareholders, employees, customers, and other stakeholders.

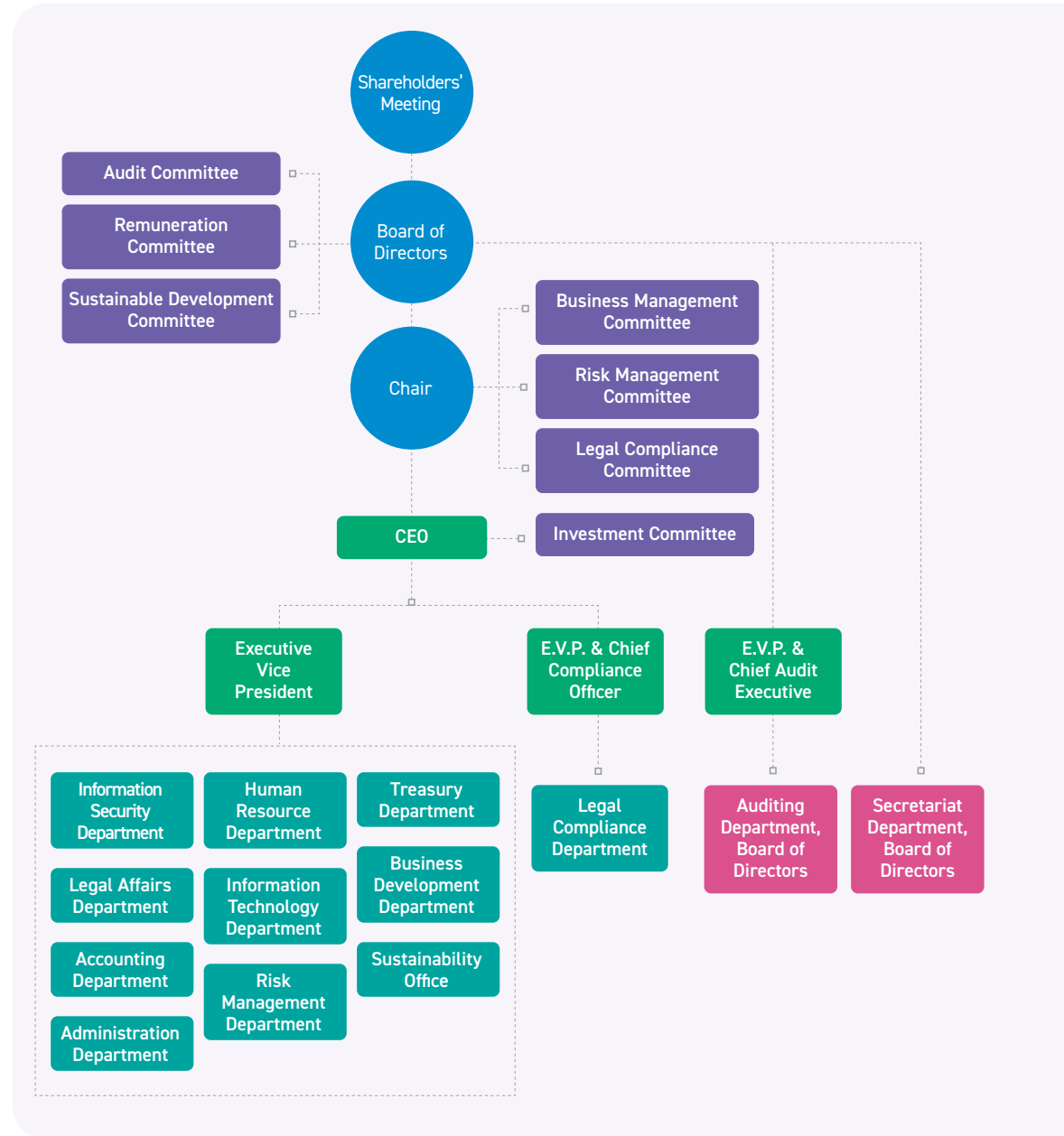
Board Structure and Operating Mechanism

TCFHC has a well-defined corporate structure and complies with governance related regulations including "Articles of Incorporation", "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Sustainability Development Best Practice Principles", based on which the Board of Directors is entrusted with the highest authority in corporate governance to be responsible for sustainable development decisions on economic, social, and environmental aspects.

Since 2021, the directors and independent directors are elected following the candidate nomination system by shareholders from the list of candidates for directors and independent directors and serve a term of 3 years.

In 2023, 17 Board of Directors meetings were held and the attendance rate of all 5th directors was 95%.

The Board of Directors have 15 directors, consisting of 1 executive director, 5 independent directors, and 9 non-executive directors. The Chair of the Board and CEO are not the same person, spouses, or close relatives within the 1st degree of kinship. The relationships between the directors are not spousal or familial relationships within the 2nd degree of kinship, and independent directors serve a maximum of 3 consecutive terms. All these ensure the independence of the Company’s Board of Directors.



The members of the Company's 5th Board of Directors possess rich experience and expertise in various fields, including business management, leadership and decision-making, knowledge of the industry, international perspectives, financial accounting and taxes, and law. Among them, 1 independent director have served for less than 3 years, while 2 independent directors have served for more than 3 years but less than 6 years, 2 independent directors have served for more than 6 years but less than 9 years, the average tenure of 5th Board members is 3.6 years. Currently, 3 directors in the Company are employees (including employees from affiliates). The number of directors concurrently serving as the Company's manager does not exceed one-third of the total number of directors. The age distribution of the directors is diverse, with 4 directors below the age of 50, 3 directors aged between 50 and 60, and 8 directors aged 61 or above, as of March 18th, 2024. In terms of gender, there are 12 male directors (80%) and 3 female directors (20%). Regarding industry experience, 78.57% of the directors have relevant Global Industry Classification Standard (GICS) financial work experience (Chen, Mei-Tsu is an executive director and therefore not included in this calculation). Gender equality has been equally weighted by TCFHC with having at least 2 female members in the Board being set as the goal. At present, the number of female members in the Board of Directors in this term is 3, which has achieved the goal. The relevant implementations are listed as follows:

Diversified Items		Independence <small>Note</small>	Basic Composition					Independent Directors Tenure			Industry Experience			Professional Background and Skills						GICS Work Experience	
			Nationality	Gender	Age			< 3 years	≥ 3 years < 6 years	≥ 6 years < 9 years	Banking	Insurance	TCS	Law	Accounting	Finance	Taxes	Marketing	Information Technology		Risk Management
					Under 50	50-60	Age 61 and above														
Non-Executive Director	Ray B. Dawn	Independent Director	R.O.C (Taiwan)	Male			●				●	●			●		●		●	Financials	
Executive Director	Chen, Mei-Tsu	Executive Director	R.O.C (Taiwan)	Female			●				●	●			●		●		●	Financials	
Non-Executive Director	Den, Yen-Dar	Independent Director	R.O.C (Taiwan)	Male			●				●				●					Financials	
Non-Executive Director	Chiang, Jui-Tang	Independent Director	R.O.C (Taiwan)	Male			●				●	●	●				●		●	Financials	
Non-Executive Director	Lee, Chung-Yung	Independent Director	R.O.C (Taiwan)	Male	●						●			●	●					●	Financials
Non-Executive Director	Shiu, Jia-Hau	Independent Director	R.O.C (Taiwan)	Male	●						●			●	●		●			Financials	
Non-Executive Director	Mai, Shen-Gang	Independent Director	R.O.C (Taiwan)	Male			●				●		●		●		●			Financials	
Non-Executive Director	Lee, Wen-Cheng	Independent Director	R.O.C (Taiwan)	Male			●				●						●			Financials	
Non-Executive Director	Su, Yu-Ning	Independent Director	R.O.C (Taiwan)	Male	●						●				●		●			Financials	
Non-Executive Director	Huang, Ta-Chien	Independent Director	R.O.C (Taiwan)	Male		●					●				●		●			Financials	
Independent Director	LIN, Hsuan-Chu	Independent Director	R.O.C (Taiwan)	Male	●									●	●				●	—	
Independent Director	Shay, Arthur	Independent Director	R.O.C (Taiwan)	Male			●							●				●		Communication Service	
Independent Director	Chang, Min-Chu	Independent Director	R.O.C (Taiwan)	Female		●			●					●						—	
Independent Director	Lin, Hann-Chyi	Independent Director	R.O.C (Taiwan)	Male			●		●		●		●	●	●					Financials	
Independent Director	Liu, Beatrice	Independent Director	R.O.C (Taiwan)	Female		●		●						●		●				—	

Note: The independent directors must meet the following criteria for independence. Directors must be non-executive directors and meet at least 4 of the 9 following indicators and meet at least 2 of the first 3 indicators.

1. Have not been employed as an executive by the Company in the last year.
2. The director and members of his/her family shall not have received more than US\$60,000 per year in compensation from the Company and its subsidiaries every year.
3. The members of the director's family shall not have been an executive officer of the Company or any of its subsidiaries.
4. Not an advisor to the Company, not a related party of the Company's consulting firm, and not a member of the Company executive management team.
5. Not a related party of any of the Company's key clients or suppliers.
6. Not in a personal service agreement with the Company or any member of the executive management team.
7. Not a related party of any NGO receiving material donations from the Company.
8. Not an auditor or accountant to the Company.
9. Not involved with any other matters with conflict of interest as deemed by the Board of Directors.

Critical Concerns

Each responsible unit of the Company reports critical concerns to the Board of Directors in accordance with practical operations or regulatory requirements to facilitate the Board of Directors to be aware of and communicate with them in real time. There are a total of 33 events in 2023. For relevant information, please refer to the [official website](#).

Functional Committees

To leverage the roles and strengthen independence of the Board of Directors, the Company has established 3 functional committees under the Board of Directors which are Remuneration Committee, Audit Committee, and Sustainable Development Committee. In addition, special committees have been established under the Chair to enhance corporate governance and improve risk management and legal compliance systems.

Responsibilities and Operations of TCFHC Functional Committees

	Remuneration Committee	Audit Committee	Ethical Management Committee (Combined as part of the Sustainable Development Committee in October 2023)	Sustainable Development Committee (Upgraded to be a functional committee in October 2023)
Composition	The committee shall consist of 3 or more members, all of whom are to be appointed by the Board of Directors. More than half of the members must also be serving as independent directors. The members shall elect 1 of these independent directors as the convener.	All independent directors serve as the members, that is, no fewer than 3 of them or one-third of all directors since 2024. For those whose term is yet to expire in 2024, however, this may start to apply upon expiration of their current term and 1 of them may be the convener and at least 1 of them shall specialize in accounting or finance.	The independent directors make up the entire committee. The number of members cannot be below 3, and the members shall elect 1 person from among themselves to be the convener.	There are 5 to 7 members and the Chair of the Board of Directors shall serve as the chair and convener of the committee while the other members shall be filled by directors, of which at least half shall be independent directors.
Responsibilities	To establish and regularly review the performance of the directors and managers, as well as the remuneration policies, systems, standards, and structures.	The Audit Committee works to primarily supervise the Company in the fair presentation of financial statements, the appointment and dismissal of and independence and performance of certified public accountants, effective implementation of internal control, compliance with laws and regulations, and control of existing and potential risks.	To be responsible for formulating policy of ethical management, to facilitate incorporating ethics and moral values into operational strategies of the Company, to implement fraud prevention measures for ensuring ethical management and effective implementation including planning and designing the whistle blowing system, to promote awareness on ethical management, and to report regularly on the status of implementation of ethic management policy to the Board of Directors.	To promote sustainable development, integrate integrity and ethical values as part of the corporate management strategy, supervise over the establishment of sustainable development and ethical corporate management-related systems, review annual sustainable development goals, implementation solutions, and the sustainability report, track and reflect upon annual sustainable development goals and fulfillment of ethical corporate management, and review, report, or file for reference other matters concerning sustainable development or ethical corporate management.
Operations	<ul style="list-style-type: none"> Meeting at least twice every year. In 2023, 8 meetings were convened with an in-person attendance rate of 100%. 	<ul style="list-style-type: none"> Meeting at least once every quarter. In 2023, 14 meetings were convened with an in-person attendance rate of 100%. 	<ul style="list-style-type: none"> Meeting at least once every year. In 2023, 3 meetings were convened with an in-person attendance rate of 100%. 	<ul style="list-style-type: none"> Meeting at least once every quarter. In 2023, 1 meeting was convened with an in-person attendance rate of 100%.

Performance Evaluations

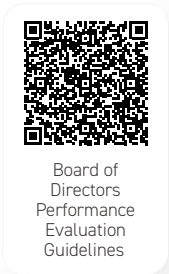
Regularly conduct internal and external performance evaluations in accordance with the "The Board of Directors Performance Evaluation Guidelines".



Important Resolutions of the Board of Directors

Performance Evaluation of Board of Directors

The "Board of Directors Performance Evaluation Guidelines" are established to enhance the operating efficacy of the TCFHC's Board of Directors. The Board of Directors and functional committees shall conduct internal performance evaluations each year according to the regulation. They shall also commission external professional independent institutions or teams of external experts and scholars to evaluate at least once every 3 years. The results of both internal and external performance evaluations shall be reported to the Board of Directors by the end of March of the following year. The result of such evaluations is taken as reference for appointing or nominating directors, whereas the result of each individual director's evaluation is taken as reference for arranging each of their individual remuneration.



In 2023, the Company authorized a third-party institution to evaluate the external performance of the Board of Directors; the overall performance in 3 major aspects, namely, "Structure", "People", and "Process and Information" were rated "Advanced", "Advanced", and "Benchmark", respectively. The scope of the Board of Directors' internal evaluation for 2023 included the Board, individual members of the Board, and functional committees. Evaluation methods were internal self-assessment and director/member self-assessment. All evaluation results were classified into "good." The evaluation cycle, evaluation period, evaluation scope, evaluation method, and evaluation results of the performance of TCFHC's Board of Directors are all announced on the [Company's official website](#).

External Performance Evaluations

Assessment Aspect	Structure of the Board of Directors	Members	Process and Information
Aspects Evaluated	<ul style="list-style-type: none"> Structure of the Board of Directors and Process Composition of the Board of Directors Institutional and organizational structure 	<ul style="list-style-type: none"> Roles and responsibilities Behavior and culture Director training and development 	<ul style="list-style-type: none"> Supervision over risk control Supervision over filing, disclosure, and performance
Evaluation Results	Advanced	Advanced	Benchmark

Internal Performance Evaluations

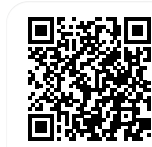
Assessment Aspect	Board of Directors	Individual directors	Functional Committees
Evaluation indicator	<ul style="list-style-type: none"> Level of involvement in the Company's operations ^{Note} Improvement in the quality of decision-making of the Board of Directors Composition and structure of the Board of Directors Election of directors and continuing education Internal control 	<ul style="list-style-type: none"> Understanding of the Company's goals and missions Understanding of director duties and power Level of involvement in the Company's operations ^{Note} Internal relations management and communication Director's expertise and continuing education Internal control 	<ul style="list-style-type: none"> Level of involvement in the Company's operations ^{Note} Understanding of functional committees' duties and power Improvement in the quality of decision-making of functional committees Composition of functional committees and member selection Internal control
Evaluation Results	Good	Good	Good

Note: The level of involvement in the Company's operations includes a minimum attendance requirement of 80%.

Continuing Education for Directors

TCFHC followed the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" and arranged trainings for directors to reinforce their professional capabilities so as to empower corporate governance in the company.

In 2023, the directors completed a total of 214.6 hours of training encompassing corporate governance, FinTech, IT Security, anti-money laundering, risk management, and internal control and audit. In addition, to enable directors to effectively keep abreast of ESG issues and development trends, each director participated in 1 or more ESG-related courses. For details of courses that the TCFHC directors have participated, please visit the [website of TWSE's Market Observation Post System](#) for inquiry.



Courses Attended by Respective Directors and the Dates/Hours

Remuneration of Directors and Senior Management

The remuneration of the directors of the Company includes monthly remuneration, subsidies for health examinations (reimbursement based on actual expenses), and director remuneration. The Board of Directors is authorized to formulate the monthly remuneration for directors (excluding the Chair) according to the recommendations of the Remuneration Committee. The Board not only considers their involvement in the Company's operation and value of their contributions but also the Company's business performance and standard generally adhered by other industries of the same trade. In addition, regular internal and external performance evaluations of directors' are conducted, and the evaluation results are reported to the Remuneration Committee as a reference for the Remuneration Committee to evaluate regularly and formulate the director remuneration. The director remuneration is based on the profit pre-tax before deducting employee remuneration and director remuneration in the current year, allocating a maximum of 1% of the amount recommended by the Remuneration Committee. The remuneration is submitted to the Board of Directors for review and reported at the shareholders' meeting. The remuneration of the Chair is 1.25 times the total remuneration received by CEO.

Senior management (including CEO) remuneration can be divided into fixed and variable remuneration, including basic salary, supervisor work overtime allowance, meal allowance, health examination subsidy (reimbursed based on actual expenses), bonuses, and employee remuneration. However, CEO does not receive employee remuneration in accordance with the regulations.

Fixed Remuneration

The standard of the monthly remuneration for CEO is determined by the Board of Directors according to the Company's Articles of Incorporation and is submitted in advance to the Remuneration Committee for suggestions according to the regulations. The senior management is paid according to the standard of the job grade on the "Employee Remuneration Table". The standards and approval processes for the aforementioned "Employee Remuneration Table" and issuance of the supervisor work overtime allowances and meal allowances are also proposed by the Remuneration Committee and implemented after submitted to the Board of Directors for review and approval. The results are regularly reviewed and evaluated by the Remuneration Committee every year.

Variable Remuneration

Variable Remuneration mainly refers to operating performance bonuses, including appraisal bonuses, performance bonuses and employee remuneration, etc., which are all paid in a deferred manner.

The annual performance evaluation of CEO are determined by factors such as financial indicators include pre-tax profit target achievement rate and growth rate, return on equity (ROE) achievement rate and growth rate, output rate achievement situation and growth rate, non-performing loans ratio, loan coverage ratio excluding government agency loans and expected loan coverage ratio. It also takes financial indicators such as the achievement rate of the Company's profit target, return on equity (ROE), return on total assets (ROA) and non-financial indicators such as specific achievements in management and business reform of subsidiaries into comprehensive consideration. These indicators are taken into consideration to determine the allocation of the variable remuneration (including evaluation and performance bonuses) of CEO. Additionally, the comparison of the Company's financial performance with other industries of the same trade is used as a reference for the upper limit of the allocation of bonus. The 0.6% variable salary is deferred for 6 years in the form of employee stock ownership trust. If CEO faces civil liabilities before the allocation of the bonuses, the bonuses will be reduced or not awarded.

For the past few years, for the sake of improving the Group's ESG results, senior management personnel (including CEO) has been motivated to stress corporate sustainable development. Besides discipline records and attendance, a particular section is devoted to major accomplishments in the evaluation of senior management personnel. The annual efficacy in the fulfillment and significant accomplishments in terms of important ESG topics (including, without limitation, corporate governance, business management, environmental protection, and CSR) are included as part of overall key evaluation items and have a decisive influence on the final rating. In addition, annual rewards also take into consideration the substantial merits of senior management personnel in terms of ESG achievements, which are discussed and reviewed by respective members of the Compensation and Remuneration Committee. In other words, senior management personnel are required to include ESG development as the main initiative in their annual planning. Furthermore, the scope of the performance evaluation of subsidiaries will also include the execution results of material topics on ESG and the important operational policies. Relevant facts and supporting evidence may be provided to earn additional points (up to 10 points). The Group links the performance evaluation of senior management personnel and subsidiaries to ESG, hoping to enhance sustainable development and bring positive impacts to stakeholders through top-down initiatives.

Link the Performance of Material Topics to the Rewards for Senior Managers

Material Topic	Senior Managers	Major Outstanding Performances
 Climate Strategies and Actions	CEO	<p>Published the Group's 1st TCFD Report and obtained the highest level certification of "Level-5+: Excellence" from BSI, the third-party verification unit.</p> <p>Became the 1st public financial holding company in Taiwan to pass the SBTi mid-term carbon reduction target review and committed to SBTi to set a net-zero target.</p>
	 Risk Management	E.V.P. & Chief Compliance Officer
S.V.P & Department Head, Risk Management Department		<p>Strengthened climate risk management and formulated climate risk management guidelines.</p> <p>Identified emerging risks for the Group.</p> <p>Supervised and managed the risk management mechanisms of each subsidiary, including supervising CAM to complete the revision of business division limits for advance payments to improve the situation of highly concentrated business in specific areas.</p>
 Information Security	Chief Information Security Officer	<p>Assisted 4 subsidiaries, namely, TCSIT, TCBF, CAM, and TCVC in completing the evaluation of existing risks and in strengthening information security management of the Company in response to the FSC "Financial Security Action Plan" and to continue reinforcing information security management.</p> <p>Completed the information security site visits to respective subsidiaries and reviewed their information security protection in order to provide suitable assistance and advice.</p> <p>Completed a drill on the "procedure of computer information security incident response reporting for TCFHC".</p> <p>Attended the FSC "Financial Cyber Security Protection Drill and Rating", TCB won the "Best Financial Cyber Security Threat Intelligence Analysis Award".</p>
		 Digital Finance

Material Topic	Senior Managers	Major Outstanding Performances
 Sustainable Finance	Executive Vice President	<p>Helped the Group promote sustainable investment business and won multiple awards in the "2023 TWSIA Taiwan Sustainable Investment Awards", namely, TCFHC won Gold Award in the "Case Impact Category - Shareholder Action" and Bronze Award in the "Case Impact Category - ESG Innovation", BNP TCB Life won Silver Award and TCVC won Bronze Award in the "Case Impact Category - Sustainable Investment", and TCSIT won the Excellent Performance Award in the "Case Impact Category - Securities Investment"</p> <p>Encouraged the financial sector to lead funds to sustainable economic activities, developed the "Corporate ESG Information and Sustainable Economic Activities Self-assessment Questionnaire" to be sent to the Joint Credit Information Center in an effort to drive sustainable corporate development and carbon reduction as required under the FSC "Green Finance Action Plan 3.0".</p> <p>Helped to promote project and policy-based loans for 6 core strategic industries and for other re-construction of dangerous and old buildings and sustainability-linked.</p>

Median and Mean Ratio of the Remuneration of CEO and Employees

Item	2023
The annual remuneration of CEO is about a multiple of the median of the annual remuneration of other employees	3.38
The annual remuneration of CEO is about a multiple of the mean annual remuneration of other employees	3.19

Shareholding

Although the Group has not currently stipulated relevant regulations for the shareholding of senior management, it has currently included the Company's financial achievement as an evaluation indicator for business performance bonuses. The Group also connects it to the employee's performance evaluation and rewards, hoping the long-term interest of the management and the company will gradually become consistent. The shareholding of CEO and other senior management has gradually increased over the years. Furthermore, since 2020, TCB has launched an employee stock ownership trust and raised the maximum withholding amount for employees to NT\$20,000 per month by the end of 2021. In addition, to live through and honor the essence of caring for its people, employee stock ownership trust was planned concurrently for the TCFHC and other subsidiaries in 2023 and was enforced comprehensively in January 2024 as proactive incentives for senior management personnel to purchase and hold shares of the Company during their service.

Position	Name	Shareholding		Fixed Remuneration (NT\$)	Average Stock Price <small>Note 2</small>	Ratio of No. of Shares Held to the Multiple of Annual Basic Remuneration
		Common Shares	Preferred Shares			
Director and CEO	Chen, Mei-Tsu	394,674	-	4,060,800	10,537,796	2.60
Other Senior Management <small>Note 1</small>		972,270	-	9,447,850	25,959,609	2.75

Note: 1. Other senior management refers to the executive vice president (or equivalent position) or above of TCFHC and TCB.
2. The stock price is calculated based on the closing price of NT\$26.7 at the end of 2023.

3.2 Ethical Management GRI 2-23、2-24、2-26、205、206

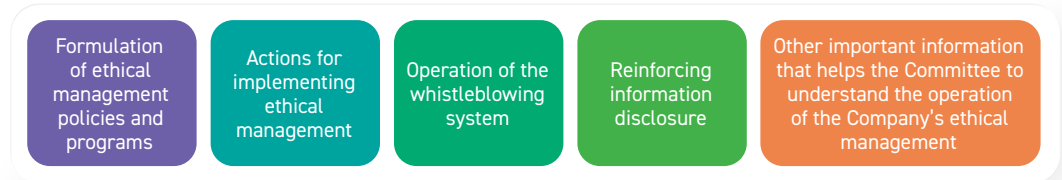
The Company defined the "TCFHC Organizational Rules of Ethical Corporate Management Committee" in August 2016 and created the Ethical Corporate Management Committee that reported to the Board of Directors. The Board of Directors, however, approved in October 2023 the "TCFHC Organizational Rules of Sustainable Development Committee" to upgrade the Sustainable Development Committee to be a functional committee; the existing Ethical Corporate Management Committee became part of the Sustainable Development Committee to be exclusively responsible for ethical corporate management and the promotion of sustainable development for a normalized ethical corporate management system and fulfillment of sustainable development.

The Board of Directors of the Company shall exercise the duty of care to urge the Company to prevent unethical conduct, always conduct reviews and continually make adjustments. The Sustainable Development Committee is established under the Board of Directors. It reports to the Board of Directors regularly (at least once a year) to ensure thorough implementation of its ethical corporate management policies.

The Company's Sustainable Development Committee is a designated unit to promote ethical corporate management; its chair is the Chair of the Board of Directors and all of the five independent directors serve as its members. The Committee is meant to help incorporate ethics and moral values as part of the Company's business strategy and to define applicable measures against frauds that ensure ethical corporate management, to define the ethical corporate policy and supervise over related implementation items, to promote and coordinate the communication and training of ethical policies, to plan the whistleblowing system, and to ensure effective implementation as required under the regulatory system.

The Company shall report to the Sustainable Development Committee at least once a year on its implementation status of ethical management, measures taken, and results of investigations on reported cases. Reported 3 times in 2023 ^{Note:} In February and August, the content of report included 5 aspects, which were the formulation of ethical management policies and programs, actions for implementing ethical management (including an overview of education and training), the operation of the whistleblowing system, reinforcing information disclosure, and other important information that helped the Committee to understand the operation of the Company's ethical management. In addition, the effectiveness of the whistle-blowing system and how reported cases were addressed were examined in May.

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in unethical conduct and conduct reviews regularly to ensure that the design and enforcement of the systems are showing results. Auditing Department of the Board of Directors will also include the system compliance in the preceding paragraph in the audit items and prepare audit reports. The Company shall regularly report on the results of implementation of improvement of any deficiency to the Audit Committee and the Board of Directors.



Note: Being reported to the Ethical Corporate Management Committee in 2023.

Implement Ethical Management

In order to push ahead with the effective implementation of ethical management and comply with regulations governing business conducts, including the "Financial Holding Company Act", "Company Act", "Securities and Exchange Act", "Business Entity Accounting Act", and "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", the Company has stipulated of its own bylaws of Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct as ethical management policies for the Company to comply with by referring to the "Anti-Corruption Act", "Government Procurement Act", and "Act on Recusal of Public Servants Due to Conflicts of Interest". The Company has these policies aim to prohibit the provision or acceptance of improper benefits, political donations, donations or sponsorship, anti-corruption, and bribery, prohibition of insider trading, agreement of confidentiality, avoidance of conflicting interests, avoidance of transactions with unethical operators, manage business activities ethically, prohibition of unfair competition acts, handling of reports related to unethical conducts and internal promotion, establishment of reward and punishment systems, reporting mechanisms, disciplinary actions, integration of ethical management policies with employee performance evaluations, and other measures. In addition, the Company has established the "Employee Service and Code of Conduct Guidelines", "Measures of Whistleblowing", and "Guidelines for Handling Reported Cases," and clearly stated its ethical management-related regulations and practices on its official website, annual reports, and external documents to promote and prevent unethical conducts.

The Company has formulated regulations such as the "Human Rights Policy" and the "Employee Service and Code of Conduct Guidelines" to regulate all employees. In case any managers or employees violates the code of conduct, the Company will report to the Review and Evaluation Committee in accordance with the "Employee Rewards and Discipline Guideline" and "Employee Performance Evaluation Guidelines". The severity of the violation will be considered to determine the corresponding disciplinary action and the grade for the year-end performance. For severe violations, the labor contract will be terminated in accordance with relevant regulations. The disciplinary actions or results for year-end performance evaluation mentioned above will affect the employee's annual reward in accordance with the "Regulations on the Distribution of Performance Bonuses" to ensure effective implementation of internal code of conduct.



Ethical Corporate Management Best Practice Principles



Procedures for Ethical Management and Guidelines for Conduct



Employee Service and Code of Conduct Guidelines



Measures of Whistleblowing



Human Rights Policy

In order to further fulfill commitment to ethical management, the Company stipulated "Declaration on the Compliance of Ethical Management by Directors and Senior Management" and has since received a total of 111 signed declarations from all directors and senior management of the Company and its subsidiaries in 2023, attaining a 100% of signing rate. Furthermore, 100% of the employees of the Company and TCB signed the "Statement of Employee Code of Conduct". All subsidiaries report the status of compliance with the Ethical Corporate Management Best Practice Principles to their respective Board of Directors every year. The status of compliance with the Ethical Corporate Management Best Practice Principles in 2023 was all reported to the respective Board of Directors.

In addition to operating with the spirit of ethical management, the Company also needs to conduct an integrity management assessment before establishing business relationships with external partners to avoid transactions with dishonest operators, and incorporate the ethical management policy into the terms of the contract to implement the concept of ethical management.

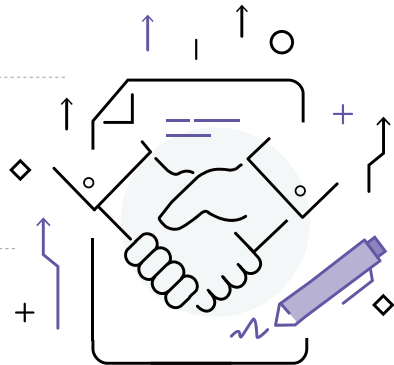
In 2023, except for TCS, whose former trader made illegitimate profits by purchasing convertible corporate bonds at high prices and selling them at low prices, subject to a fine of NT\$720 thousand and 1 corrective action imposed by the FSC, no subsidiaries of the Group was found with violations of integrity management or major impacts, and no corruption, fraud, bribery, insider trading, money laundering, discrimination, violation of customer privacy, anti-competitive behavior, anti-trusts, monopoly, market manipulation, improper political contributions, improper charitable donations and sponsorship violating the Code of Conduct; the amount of related legal proceedings and penalties was 0.

Declaration on the Compliance of Ethical Management by Directors and Senior Management

100% of signing rate

Statement of Employee Code of Conduct

100% of signing rate



Ethical Management Educational Trainings

The Group has added elements and rules of ethical management to the "Guidelines of Service and Conducts by Employees" and the "Supplier Management Policy". The purpose is to require employees not directly or indirectly provide, promise, demand or accept any inappropriate benefit or engage in any other unethical behavior in the process of conducting a business activity or performing a duty.

In order to let all employees understand the importance of ethical management, the Group holds ongoing ethical management related educational trainings every year and requires all employees undergo the training.

The training rate for relevant educational trainings on ethical management conducted in 2023 for all directors, supervisors, senior management and general employees

100%



Total Number of Staff Receiving Training

10,275



Total Hours

10,867

Whistleblowing System

In order to prevent unlawful conduct and promote sound operations, protect whistleblowers, and support the whistleblowing mechanism, the Company established the "Measures for Whistleblowing" and "Guidelines for Handling Reported Cases". The measures and guidelines rule that if any employee with the Company or its subsidiaries is found to have provided, received, promised, or requested any illegitimate benefits in order to receive or maintain benefits, or to have engaged in any conduct that may break integrity or entrusted compliance, or to have been suspected for committing crime or fraud, or violating financial related regulations, anyone can raise such a case through designated email address on the website or internal hotline. All incidents reported through the whistleblowing channels are recorded properly and handled with careful follow-up by the Company.

After the Company receives a reported case, the Auditing Department of the Board of Directors or the designated dedicated unit will investigate according to the types of cases. If the person handling the reported case discovers that they have a personal interest in the reported matter, they should voluntarily recuse themselves. If the investigation reveals a material violation or potential material damage to the Company or its subsidiaries, a report must be promptly prepared and inform the Company's independent directors in writing. In the event of a material contingency or illegal case, it shall be proactively reported or tipped off to the relevant authorities.

For all reported cases are addressed and investigated, their investigation findings and related documentation shall be recorded for preservation. Investigation findings shall be submitted to the Sustainable Development Committee for future reference, and the reported cases, how they are addressed, and subsequent reflection upon improvement measures shall be reported to the Board of Directors. If the person being reported is a director, supervisor, or a vice president-equivalent or a higher-ranking managerial officer of the Company and its subsidiaries, the Company's independent directors shall be informed first. For whistle-blowing concerning a vice president-equivalent or higher-ranking managerial officer, the investigation shall be carried out by the Auditing Department under the Board of Directors. When subsidiaries are involved, on the other hand, it is to be handed for investigation to the specific subsidiary or a responsible unit with no conflict of interest and with independence in the exercise of its functions as designated by the Auditing Department under the Board of Directors. If necessary, the Auditing Department under the Board of Directors may embark on an investigation unilaterally. In case of related evidence of unethical or illegal acts, it shall be reported to the Board of Directors; If the reported person is personnel of the Company's General Auditor or Auditing Department of the Board, he/she will be investigated by the Legal Compliance Department or responsible unit with independent functions designated by the Legal Compliance Department.

Except in cases where the whistleblower cannot be contacted, the whistleblower will be informed of the investigation results in writing or by other means within 30 days after the investigation is completed. If the audit report meets the requirements for reporting to the competent authority, it shall be submitted to the competent authority within 2 months from the end date of the audit for declarations.

The whistleblower's identity shall be kept confidential, and no information that may be used to identify that person shall be disclosed. The whistleblower shall not be terminated, dismissed, downgraded/relocated, given a reduction in pay, impairment to any entitlement under the law, contract or customs, or other unfavorable disposition due to the reported case.

If the tip-off case is found to be true, the Company or its subsidiaries will resort to relevant punitive measures against those who are reported or involved and the whistleblower will be rewarded according to the seriousness of the case. If the internal personnel make false reports or malicious accusations, they shall be disciplined, hoping to strengthen and embed the corporate culture of ethics and transparency.



TCFHC's Whistleblowing Channels

Tip-off Email
5134@tcfhc.com.tw

Tip-off Hotline
+886-2-2173-8913

Status of Handling Reported Cases in 2023

In 2023, the Group did not harm the rights and interests of whistleblowers or impose adverse sanctions. In 2023, 22 cases in total reported through the whistle-blowing mailbox of the Group were addressed. Except for 2 of them with some of the items reported being investigated by the law enforcement unit whose investigation was discontinued to facilitate and focus on judicial investigation findings as required, investigation reports had been completed for the remainder and the cases were closed; 1 of the cases was found to be partially true and 19 untruthful and no major violations were discovered. The investigation results of the reported cases received in 2023 have been reported to the Sustainable Development Committee according to the "Measures for Whistleblowing" for record keeping.



Received a total of 22 reported cases					
1 partially true case, 2 cases to facilitate and focus on judicial investigation findings, and 19 untruthful cases					
Number of Reported Cases	External Whistleblowing	Named	0	True	0
		Unnamed/Anonymous	14	False	0
				True	0
				To facilitate and focus on judicial investigation findings	2
	Internal Whistleblowing	Named	2	False	12
				True	0
Internal Whistleblowing	Unnamed/Anonymous	6	False	2	
			Partially true	1	
	False	5			

3.3 Risk Management and Audit System

To ensure the healthy development and capital adequacy, and achieve reasonable risk and benefit targets, the Company follows the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" to formulate the "Risk Management Policy and Guidelines" as a basis for risk management.

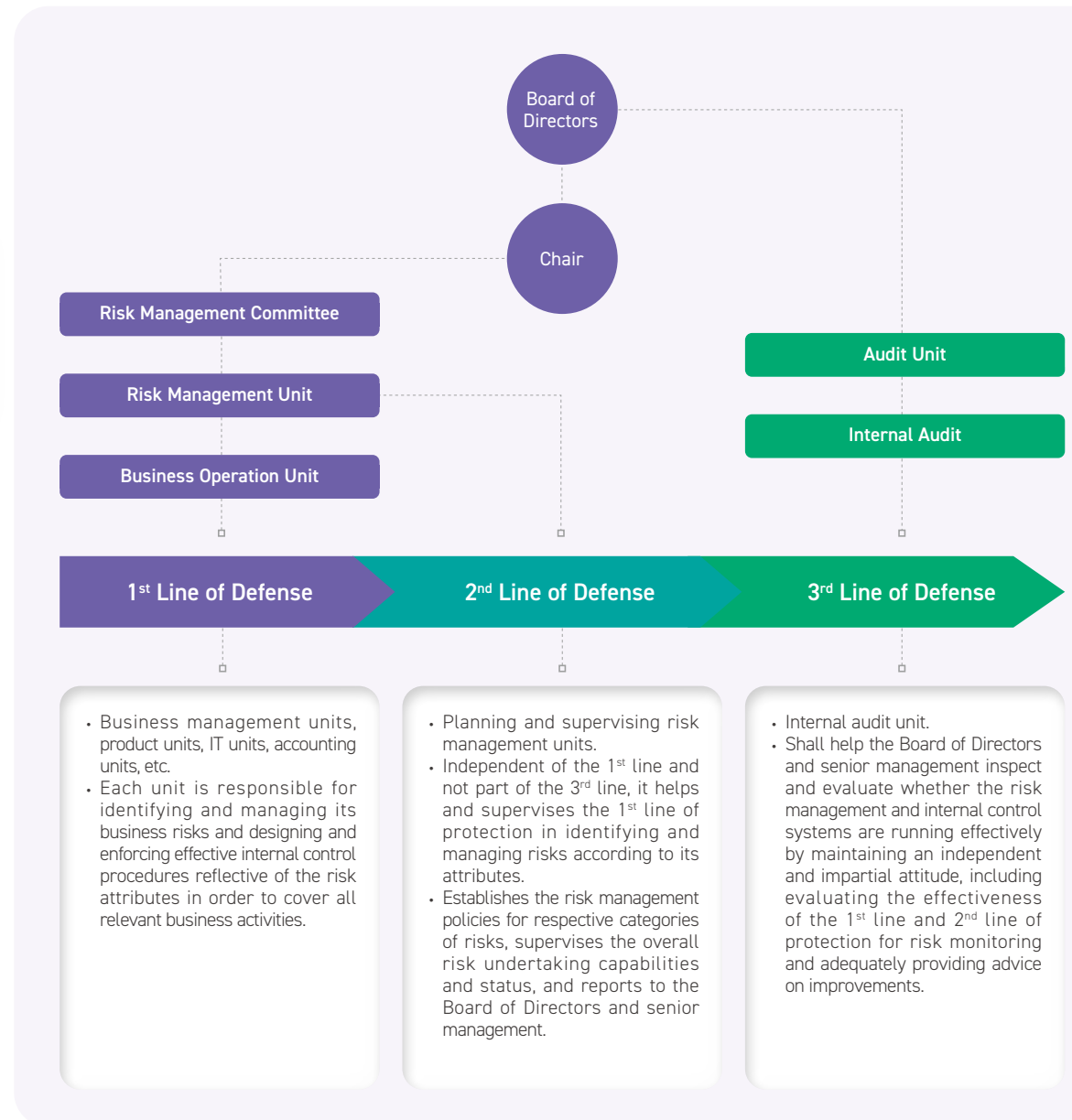
TCFHC and major subsidiaries are equipped with "Risk Management Committees" that are responsible for designing risk management systems, policies, and indicators for monitoring and for carrying out risk management activities. The purpose is to ensure healthy development of the Group, ensure capital adequacy, and achieve reasonable risk and return targets.



Risk Management Strategy and Structure

The Company's Board of Directors serves as the highest risk management decision-making body and the final undertaker throughout the Group and the "Risk Management Committee" consists of the chair of the Board of Directors, CEO, vice presidents, E.V.P & Chief Compliance Officer, unit heads, and CEOs of respective subsidiaries in order to link risk management units (2nd line of defense) and business units (1st line of defense) of the Company and its subsidiaries. The Internal Audit Unit (3rd line of defense) performs audits super-independently and periodically that cover the Company's risk management procedures in order to reasonably ensure the effective operation of the risk management system.

The highest management level of risk management is the "Risk Management Committee". The Risk Management Committee is chaired by the chair of TCFHC, and the highest management level of the highest risk monitoring and auditing is the E.V.P. & Chief Audit Executive, who all report to the Board of Directors. The Risk Management Committee held quarterly and reported by the Company and its subsidiaries. Overview of current risk management, changes in capital adequacy, handling of major abnormal events, risk analysis of key monitoring objects and industries, and tracking of the progress of matters that should be implemented in meeting resolutions, etc.



Major Risk and Emerging Risk Management

Major Risks

TCFHC Group assesses the internal and external operational risks when providing financial services every year. The Group reports the risk-bearing capacity, response measures, and implementation of risk management to the Board of Directors and senior management, which are managed by looking into authorization mechanisms, limit management, and indicator monitoring. In addition, the subsidiaries are required to establish risk indicators and control procedures based on nature of product, size of business, and risk attributes. To monitor risk management, the Company regularly monitors the Group's credit risk exposures and relevant limit controls on a monthly basis. This includes the categories of industries, industries of concerns, high-risks in China, country risks, risk-bearing capacity in China, limits for large groups, and other information on controls. In addition, the Company also uploads statutory statements to the FSC website on a monthly basis according to the prescribed deadlines to regularly monitor changes in exposures and risk management. After assessing internal and external risks and considering the potential impacts on the Company's business, the 2 major risks in 2023 are credit risk and operating risk.



	Credit Risk	Operating Risk
Probability	Medium	Slightly High
Level of Influence	High	Low
Risk Tolerance	The credit or transaction amount exceeds NT\$500 million, and there are adverse signs.	The actual estimated loss amount is equivalent to more than NT\$1 million.
Operating Risk	<ul style="list-style-type: none"> Requesting borrowers to provide collaterals, TCB has established guidelines for scope of eligible collaterals, collateral appraisal, procedures for management and disposal to assess and manage collaterals, calculate the discounted collateral value to ensure the creditor rights. Creditor's rights protection, collateral clauses, and offset clauses are stipulated in the credit agreements, which clearly defines that when a credit event occurs, the credit limit may be reduced, the loan repayment period may be shortened, or the full amount of loan may be treated as matured. The obligor's debts may be offset through various deposits at TCB and its subsidiaries to reduce credit risks. To avoid excessive concentration of credit risks, TCB establishes concentration limits based on the categories of industries, country, collateral categories, group, and construction financing. These limits are reviewed and revised on a regular or irregular basis. 	<ul style="list-style-type: none"> Using "self-assessment on operating risks" to identify various potential risks in business, assess the level of exposure for operating risks, review the effectiveness and stages of implementing controls, and strengthen business management. Based on the important risk items identified during the self-assessment process, key indicators for operating risk are established. Quantitative indicators are used to monitor changes in risk and establish a precautionary mechanism. Review the causes of risk events and improve operating procedures through reporting and managing operational risks. Improve professional training for personnel and select employees to participate in various business-related training courses to improve their professional knowledge and reduce the probability of operating risks.

Note: Please refer to page 190-195 and 251-261 of the Company's 2023 Annual Report for more details on the risk factors, causes and countermeasures.

• Risk Appetite

Risk appetite is the overall risk that is willingly undertaken within the overall scope of risk-undertaking capability, is mainly based on the operational strategy and financial goals, and takes into consideration factors such as growth, risk, and rewards. TCB has its risk appetite mechanism adopting a "bottom-up" approach. Every year, the supervisory vice president of Risk Management Department and the business units responsible for each indicator have meetings to discuss. The risk management department is responsible for summarizing and submitting results of meetings to the Risk Management Committee and the Board of Directors for review. After approval, those will be reported to the Risk Management Committee and the Board of Directors on a quarterly basis. In 2023, a total of 25 indicators were defined and the responsible unit for each indicator reported its implementation status on a quarterly basis. In case of non-compliance, related countermeasures shall be clarified at the same time in order to define the risk culture and to reinforce the risk management mechanism.

• Sensitivity Analysis and Stress Test

We regularly conduct sensitivity analysis and stress testing on financial and non-financial risks to review the risk management mechanism and risk tolerance. In terms of financial risk, based on the content set in the stress test scenario meeting, TCB conducts market risk factors (including interest rates and equity securities prices) inspection. If the interest rate curve rises by 100 basis points, the value of the transaction book will drop by NT\$ 304.82 million; if the equity security price increases by 15%, the trading book value will increase by NT\$47.22 million. In terms of nonfinancial risks, TCB analyzes the operational risk impact in the event of misappropriation of customer deposits. The test results show that the capital adequacy ratio, first-class capital ratio, common equity ratio and leverage ratio all meet the requirements of the competent authorities.



• Organization and Functioning of Internal Audit

To establish an effective internal audit system and to ensure enforcement of risk management, the Company has its "Audit Guidelines" and also follows the "Implementation Rules of Internal Control and Audit Systems of Financial Holding Companies and the Banking Industry" promulgated by the FSC by creating a general audit system for overseeing audit operations. The Auditing Department, established under the Board of Directors, performs internal audits on the Company and each subsidiary every 6 months. It assists the Board of Directors and the management in inspecting and evaluating the internal control system operates effectively and provides timely improvement advice, so as to both ensure internal control system can be effectively operated and make it as the reference for further review and revision. The Auditing Department performed 1 project audit while reviewing how the internal control system was enforced at respective departments of the Company in 2021 according to the annual audit plan, 1 general business audit and 1 project audit, and 1 project audit of each of the 7 subsidiaries in the 1st half and the 2nd half of the year, respectively. In 2022, 17 audits were performed in total throughout the year. The Auditing Department performed 1 project audit while reviewing how the internal control system was enforced at respective departments of the Company in 2022 according to the annual audit plan, 1 general business audit and 1 project audit, and 1 project audit of each of the 7 subsidiaries in the 1st half and the 2nd half of the year, respectively, in 2023. In order to meet the business demand, 1 project audit of CAM and 2 project audits of TCSIT were added, so that there were 20 audits in total throughout the year.

Furthermore, the FSC as the competent authority conducts regular inspections once every 2 years as well as irregular project inspections of the Company (1 regular inspection and 2 project inspections throughout 2023). The Company is also committed to improvements reflective of inspection feedback and creating an appropriate risk management mechanism. Regarding this, internal audit units continue to follow up on review opinions of or deficiencies identified by FSC, accountants, internal audit units and internal units as well as improvements listed in internal control statements. Improvements are submitted in writing to the Board of Directors and the Audit Committee and used as an important item for penalties and rewards and performance evaluations of related units. This further promotes the benefits of the Group's overall operations and risk management.

In 2023, the Auditing Department had not just accomplished all the tasks scheduled to complete in the year, but also made a list to track improvement status as being required by each unit of TCFHC and each subsidiary, so as to enhance the gains on overall operational and risk management of the Group.

Operation of Internal Audit



- Primary principles to be considered for the annual audit plan.
- Highlights of financial inspections by the competent authority.
- Primary deficiencies and conditions found during inspections on financial institutions by the competent authority.
- Primary audit opinions from the competent authority's audit on the Group's operations.
- Important internal audit and control laws and regulations or as needed for supervision and management of the Company.

- Submission of the audit plan to the Audit Committee and the Board of Directors for deliberations.

- Declaration with the competent authority as required.

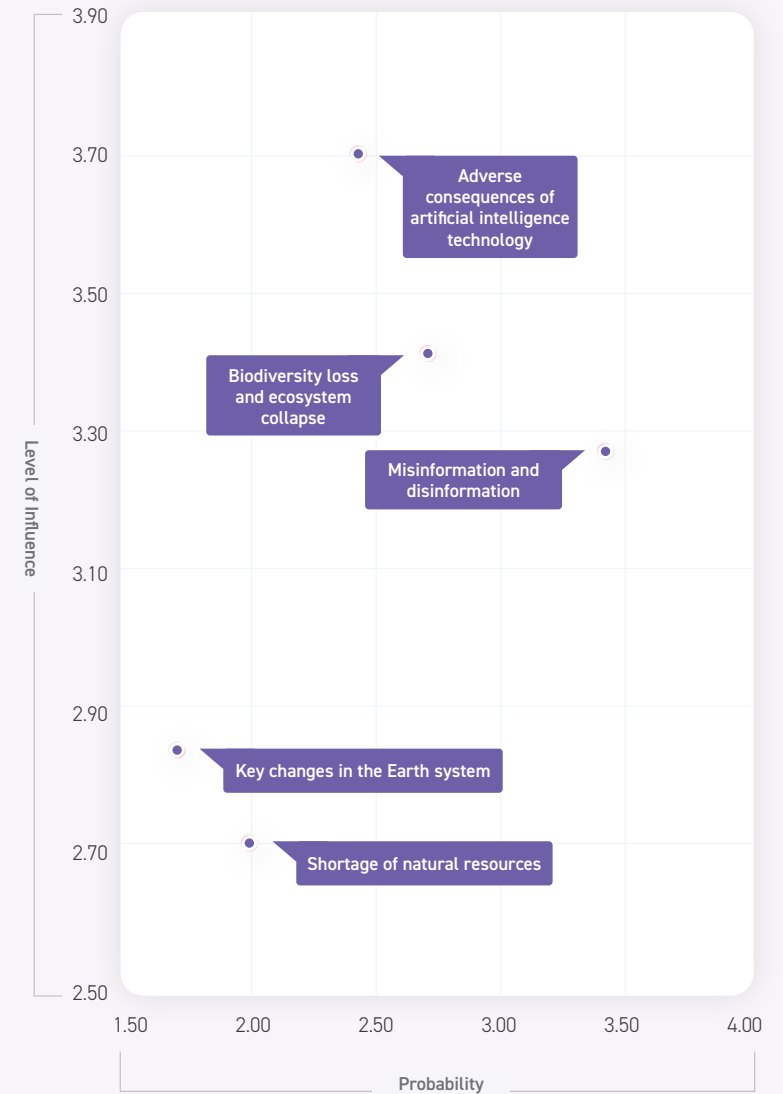
- Organization of general audits and special audits.
- Reporting of audit implementation status to the Audit Committee and the Board of Directors every month.

- Continuous follow-up on the improvements made by the auditee according to inspection feedback till it improvements are completed.
- Submission of improvements according to audit opinions to respective business/operational/administration management units of the Company for reinforced supervision.

Emerging Risks



Prioritization of Emerging Risks



Identification and Mitigation Actions of Emerging Risks in 2023

Emerging Risk	Category	Risk Description	Impact on Business	Mitigation Actions/Response Strategies
Biodiversity Loss and Ecosystem Collapse	Environment	<ul style="list-style-type: none"> The extinction of species and the reduced resilience of terrestrial and marine ecosystems lead to the destruction of natural capital, environmental degradation, and supply chain disruptions, etc. For example, mono-culture farming may lead to a sharp decline in crop pollinators, reduced yields and even severe crop failures to accordingly impact mankind and economic activities severely. Future regulatory trends aim to put an end to deforestation, marine pollution, overfishing, and protect the natural environment. If enterprises are not prepared, they may violate the laws and face reputational damage and litigation risks. 	<ul style="list-style-type: none"> If the business items, production materials, or methods of production of the investment and financing subjects involve issues such as overexploitation of land, excessive deforestation, overfishing in seas, or coral reef destruction, or if their location of operations or production bases are located near natural reserves for flora and fauna, it is possible to exert pressure and cause damage to local biodiversity and ecosystems. This can lead to conflicts, litigation, or penalties imposed by the competent authority, resulting in a decrease in revenue and an increase in operating costs, as well as increased credit risks, market risks, and reputational damage for the Group. If biodiversity loss and ecosystem destruction events lead to changes in human habitats, abnormal fluctuations in commodity prices and financial market, this will result in increased business management costs, weakened solvency, increased credit risks for the Group's credit position, market risk for investment positions, and losses due to depreciation in wealth management customer's assets. Protecting biodiversity, government actions, consumer awareness, pricing mechanisms, and other factors may exert pressure on current business models. Investment and financing subjects that have previously operated in legal gray areas or even violated the law (such as deforestation) without facing penalties may now face significant litigation, thereby increasing the risk of credit defaults. This poses potential negative impacts on the Group's investment profitability and credit risks in financing. 	<ul style="list-style-type: none"> Continue to reinforce environmental and ecological risk assessments relevant to the operational activities of the targets of investment and financing, gradually include applicable risk factors into consideration during the decision-making process, and constantly monitor the sectors that the targets of investment and financing are in and their geographical locations so as to decentralize and minimize the credit risk and market risk of specific factors that are undermined as a result of the specific ecosystem being destroyed. Spontaneously pay attention to loan clients that may be involved in the underlying biodiversity risk and provide the required financing or related services in time through front-end loan process; it is expected that assistance will be provided in the future to help improve industrial security measures and equipment and to minimize the risk of them undermining the ecosystem, maintaining the quality and security of the Group's assets. Continue to enforce the various policies on the conservation of electricity, water, oil, and paper, put energy conservation and carbon reduction into action, and plan to increase the amount of green electricity being used so as to minimize destruction done to the ecosystem and join the TNFD forum through the Group and pay continuous close attention to applicable international biodiversity initiatives for the sake of boosting the awareness throughout the Group of the sustainability of the natural environment.
Adverse Consequences of Artificial Intelligence Technology	Technology	<ul style="list-style-type: none"> Advances in artificial intelligence (AI) and related technological capabilities (including generative AI) have brought about intentional or unintended negative consequences for individuals, businesses, ecosystems, and economies. 	<ul style="list-style-type: none"> With the innovative development of financial technology and the popularization and application of artificial intelligence technology, the Group has introduced various AI technologies to interact with customers, such as digital services, intelligent customer service, robotic wealth management, etc. If the relevant operations are cooperated and streamed with external units, there is a risk that the probability of hacker attacks or leakage of sensitive data such as personal information will be increased to result in fines from competent authorities or significant reputational or financial risks, and also to increase internal control and compliance costs. The AI technology, based on big data analysis and learning, features an algorithm that requires rigid training and decision-making model. If human bias occurs during the process, it will lead to algorithm and model errors, such as inaccurate online automatic loan approval or robotic wealth management and the risk of decision-making errors or customer complaints are likely to increase the compliance risk and the operational cost. Given the complexity of the AI model and the fact that many algorithms and parameters are non-transparent, the risk associated with the compliance of data protection acts (such as GDPR and ADPPA) and applicable AI laws and regulations to be defined in the future by the competent authority may be increased. 	<ul style="list-style-type: none"> Properly create and continue to advance the data of the original model and keep track of uses of personal data. The personal data leak prevention system and mail filtration system, among other safeguard mechanisms, will be reinforced in the future. Continue to consolidate the AI service system, test the information security surveillance software prior to commissioning and upon updates, and precisely confirm implementation results; comprehensively enhance personal data protection in the future to reinforce the protection over the Group's AI service system. Promote digital innovative products or applications through the CoLAB; proactive testing of data security gaps, possible deviations in the quantity and quality of AI model samples, and expected improvements in the future will continue to minimize AI model computing errors. In addition, periodically monitor the gaps and improve them to prevent against invasion by hackers and to boost the defense in terms of information security by continuously implementing "weakness scan" and rehearsing "distributed denial-of-service attack" (DDoS), and "social engineering attacks". TCB formed its "Smart Wealth Management Committee" to constantly advance in the content design of customer questionnaires, algorithm development and adjustment, and re-balancing of the investment portfolio by means of supervision and management over aspects namely products and services, compliance, and information security, etc. In the future, it will maximize its review over whether deviations and errors exist in AI algorithm data or not and periodically monitor the conformity in the investment portfolio recommendations and risk attributes for customers and the fairness and objectivity of business execution.

Emerging Risk	Category	Risk Description	Impact on Business	Mitigation Actions/Response Strategies
Misinformation and Disinformation	Technology	<ul style="list-style-type: none"> Persistent misinformation (intentional or otherwise) spreads widely through media networks to change public opinions and lead to distrust of facts and those in power, including but not limited to false, imposter, manipulated and fabricated content. 	<ul style="list-style-type: none"> The maturity of AI and machine learning (ML) technologies are boosting the development of deep fake technology, making it difficult to identify and prevent against counterfeit transactions and fraudulent approaches, such as video identity verification and hackers using deep fake technology to create fake voices and unreal biometric data, resulting in theft of digital business and loss of customer trust, which is likely to undermine business operations and reputation of the Group. False information about public opinions regarding investment and financing targets is deliberately manipulated through online voices, which weakens the the timeline and judgment of cases being evaluated or increase the industrial operational risk, leading to misjudgments in investment and financing decisions or increasing the probability of defaults as well as the operational risk. As online information overflows and cannot be verified easily, misinformation and disinformation can be found anywhere to result in the distrust among customers of the products, services and brands of the Group and to also possibly lead to wrong decisions made by users. The rapid transfer of funds in large quantities over a short period of time through online services will lead to the Group faced with the liquidity risk and crisis and accordingly the compromised stability on the financial market. 	<ul style="list-style-type: none"> It is expected that the identification technology will continue to be enhanced in the future to boost verifiability and non-forgery and the information verification procedure will continue to be reinforced as well to validate the information received and to ensure that the information provided by customers is correct and reliable. Data collected online will be from a variety of sources, be cross-examined, and compiled to avoid over-concentration of sources of information and to minimize the risk of erroneous information affecting the evaluation; the increased investment and financing risk as a result of erroneous information may be remitted for the Group accordingly. Continue to deepen communication of information security by not only reinforcing the information security protection network and employee awareness about information security but also guiding customers through the build-up of common sense for judging information legitimacy and appropriate screening information in an effort to prevent against the spread of misinformation and disinformation. Continue to pay attention to and take part in the Financial Information Security Sharing and Analysis Center (F-ISAC). The preventive measures will be prepared and the control mechanism will be reinforced in the future to deepen the financial information security joint defense system. Meanwhile, communication and complaint-filing channels will be created to constantly monitor the feedback provided by customers and to protect the rights of customers and important corporate operational information. Continue to reinforce the control over the incoming and outgoing funds and closely monitor transactions through various channels (including whether funds are wired or withdrawn/transferred through automated equipment, etc.) and inter-bank clearing transactions, and continue to detect irregular transactions and verify market information so as to plan future capital allocation in response to environmental changes and to ensure liquidity.



Shaping Risk Culture

In order to improve the Group's risk management, establish a climate governance culture, enhance the Group's directors, supervisors and senior managers' awareness of risks and the latest international development trends and concept changes, risk management courses are arranged every year. In 2023, a training session on "Natural Solutions and New Business Models for Enterprises to Move towards Net Zero" was held for the Group's directors and senior managers, with a total of 40 participants. In addition, in order to enhance employees' risk awareness, strengthen their awareness of laws and regulations related to AML/CFT, and enhance their information security protection capabilities and awareness, in order to establish an overall risk management culture, and effectively implement the Group's risk management policies, we encourage employees to participate in various internal and external risk management-related education and training. Not only physical courses, but also digital technology is used to hold online education and training. On the other hand, the latest risk management regulations, trends or practices are also communicated to facilitate internal educational training use.

Education and Training of 2nd Line of Defense in 2023

Courses	Attendance	Total Training Hours
Risk Management	53,952 people	40,146 hours

To strengthen crisis management mechanism, resolve and alleviate emergency events quickly or resume operations in time and minimize losses, TCFHC has the "Regulations Governing Emergency and Crisis Management" to activate the group-wide emergency reporting and communication system in the event of a manmade or natural disaster, faulty internal control, employee fraud, security maintenance, significant financial loss in business, or negative media coverage that can affect the Company's reputation and normal operation. The Crisis Management Task Force is also in charge of handling emergencies, giving instructions and speak on behalf of the Company to outsiders according to the guidelines for spokespersons as needed.

Refining Risk Culture

The Group encourages employees to provide optimization suggestions for the operation process. If the suggestions are adopted, bonuses will be given. In 2023, a total of NT\$75,000 are awarded. 268 proposals were introduced by employees throughout 2023, over the optimization of branch-end transaction systems, credit and loan systems, the registry and integration platform for the various types of business to be filed for reference, mobile banking, and smart wealth management, for enhanced operational and management benefits and risk management.

The Group has formulated the "Operational Risk and Control Assessment Management Directions", and colleagues who are familiar with the business process are responsible for the operation process analysis and risk identification. The operation risk self-assessment process completed in 2023 includes 118 from head office management units and 60 from business units. Through the self-assessments results of risk control, the operational risks that should be paid attention to are summarized, and for projects with high risks, action plans are developed to respond in advance to reduce possible future operational losses, improve colleagues' awareness and attention to risks, and integrate risk management awareness into in daily business processes.

TCB has formulated "Measures for Handling Financial Product Evaluations". Before developing financial products, it identifies and evaluates potential risks in advance and formulates relevant response plans to strengthen risk control.

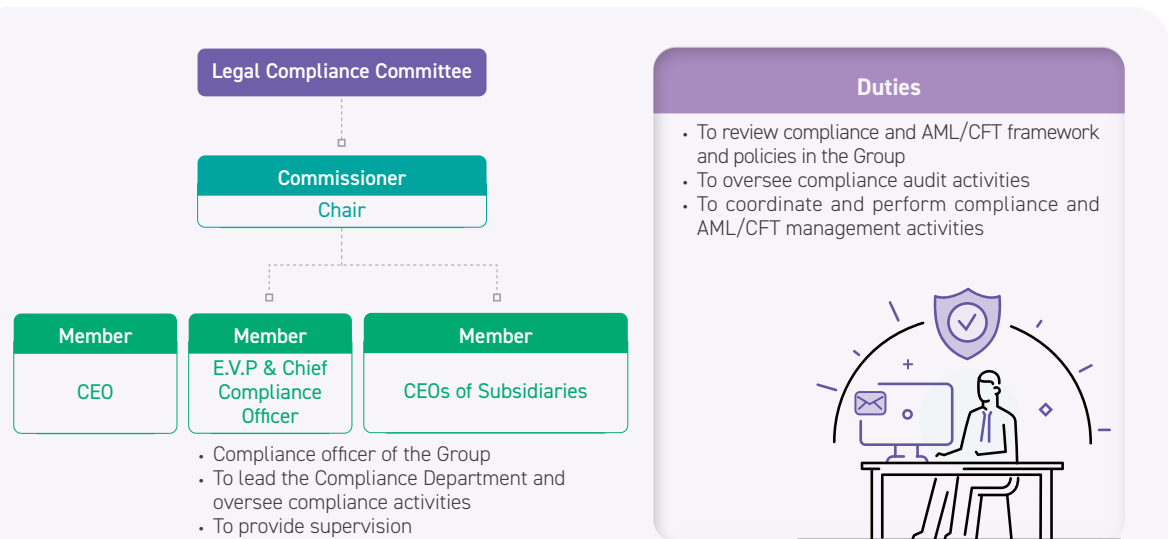
3.4 Legal Compliance, Anti-Money Laundering, and Combating the Financing of Terrorism GRI 2-27

The compliance system is an important part of internal control and serves an anti-money laundering and combating the financing of terrorism purpose while deterring other illegal activities. It also prevents key compliance items that endanger the Company's operations and cause disruption in the financial market. TCFHC implements relevant organizational frameworks, regulations, and rules to equip itself with abilities to address regulatory or environmental changes at any time and supervise its legal compliance status. TCFHC also provides internal training in order to avoid legal risks arising from violation of law and to fulfill a financial institution's role by protecting customers' rights.

Compliance Operations

TCFHC has established the "Rules for Implementation of Regulatory Compliance System" according to the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries". The "Legal Compliance Committee" is also put in place to devise relevant organizational structures, rules and regulations in order to monitor regulatory compliance.

Regarding compliance audits by the FSC and regulators of affiliated business units, all penalties should be reported immediately to the relevant departments to ensure appropriate response and prevent repeat or further losses. TCFHC sets up "consistent and real time intercommunications" mechanism, which requires each subsidiary report to the TCFHC's Legal Compliance Department the full account of inspections on legal compliance and AML/CFT during the entire course from inception of the inspection to completion of the draft if it happens to have financial competent authority to inspect.



Punishment by Financial Competent Authority and Affiliated Business Units in 2023 and Corresponding Improvements

In 2023, the Group was not imposed significant penalties or disciplinary measures by competent authorities due to the violation of environmental or social law, or regulations. Yet the remaining penalties as received and related improvements are listed as follows:

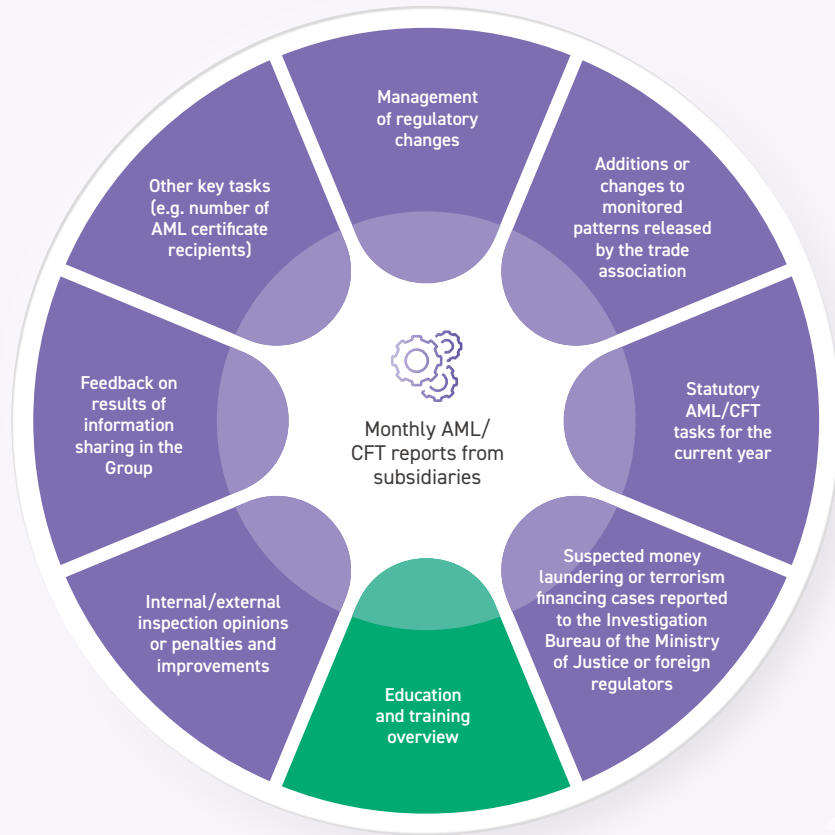
Company	Applicable Laws	Reason for Sanction	Subsequent Improvement	Fine (NT\$)
TCFHC	Paragraph 1, Article 54 of the Financial Holding Company Act	The Company's supervision and management of the recruitment and attendance management of CAM's personnel, urban renewal and advanced payment for urban renewal and reconstruction of dangerous and old buildings are not comprehensive.	<ul style="list-style-type: none"> Assistance has been provided to CAM through the following: <ol style="list-style-type: none"> Modification of applicable requirements over the hiring and salary negotiation of personnel and advanced payments for urban renewal and reconstruction of dangerous and old buildings. Creation of a sound database for stakeholders under the Banking Act and specific regulations governing the responsibilities of applicable authorities and control measures for the limits of advance payments by the region. Reinforced staff attendance management and inclusion in applicable inspection source documents. Investigations of applicable reported cases will be reinforced in the future. 	NT\$0 (corrected as required)
TCS	Subparagraph 4, Paragraph 1, Article 178-1 of the Securities and Exchange Act	TPEX audited TCS and found that 1 employee manipulated the strategic transaction of unpopular convertible corporate bonds (CBs) by unilaterally closing a deal, inflating prices, or falsely increasing personal sales to impair the formation of fair prices authorizing transactions over the Internet in someone else's name or account. In the manipulated transaction of the CB strategy, the employee purchased CB at high prices and sold at low prices through his personal account, with illegitimate profits obtained as such found by TPEX to total around NT\$6.89 million. No data of approval by the responsible supervisor of the CB volatility spread strategy and CB volatility dispersion strategy are available.	<ul style="list-style-type: none"> Stipulate prohibited behavior in terms of the CB strategy transaction. Add the requirement for concentration limits of a specific single CB liquidity risk and review and adjust them on a monthly basis. Stipulate matters to be documented in the strategic transaction protocol and monitor them one by one on a daily basis according to the protocol. 	<ul style="list-style-type: none"> NT\$0.72 million. 1 directive of correction. TCS was mandated to ban the employee from carrying out related business for a year. TCS was mandated to authorize a non-certified accountant to issue a Project Review Report on the improved internal control system concerning bonds that are self-operated and invested in. The report was approved by the Board of Directors and supervisors to be submitted to TPEX for review. After it was reviewed by TPEX, it was forwarded to the FSC. Without approval of the improvements made to deficiencies by the FSC, additional spontaneous investments in convertible corporate bonds are not allowed.

Note: The definition of major violations is based on the standards stipulated in Article 2 of the "Measures for the Public Announcement and Explanation of Major Punishment Measures Handled by the Financial Supervisory Commission for Violations of Financial Laws and Regulations".

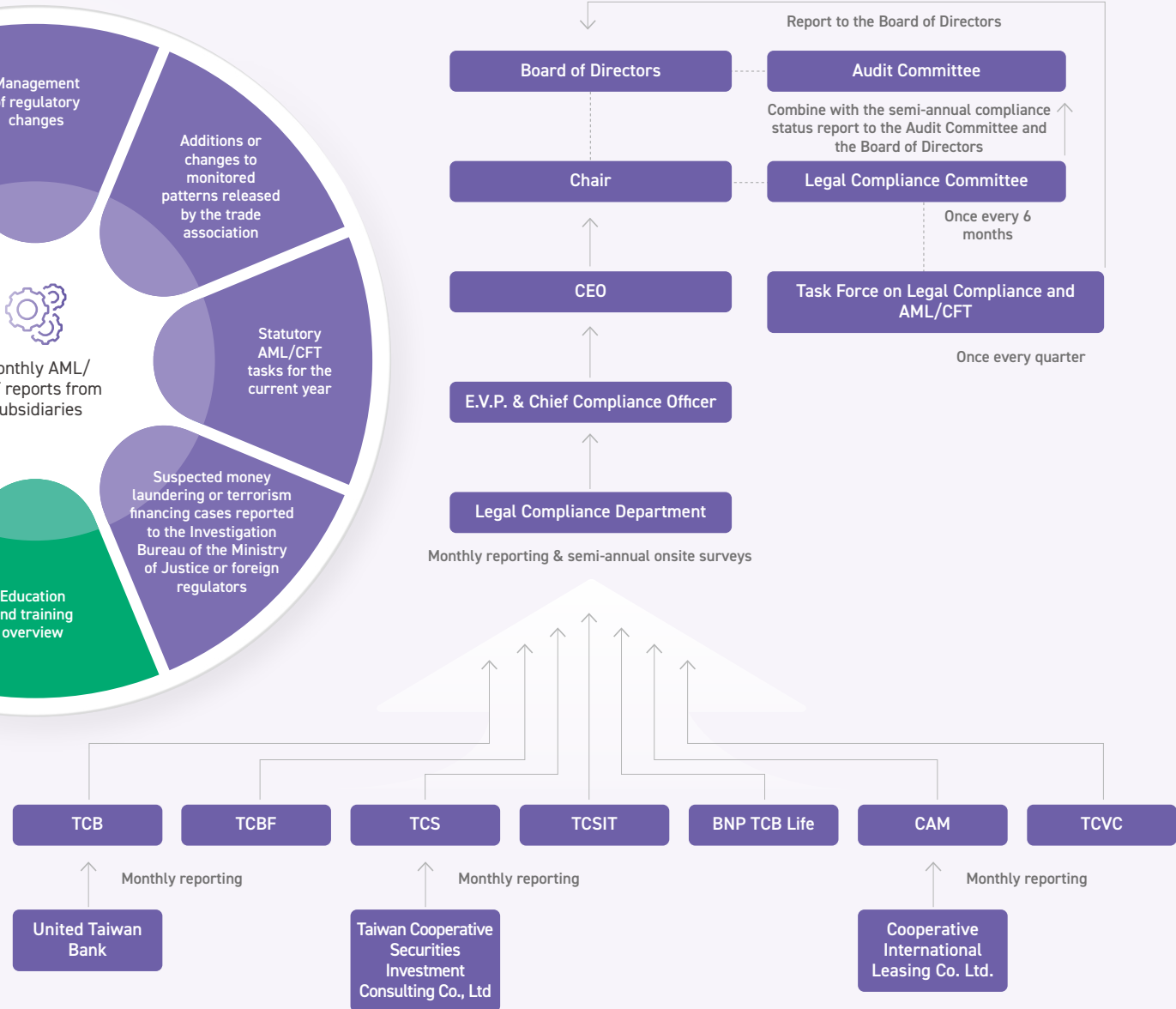
Anti-Money Laundering and Combating the Financing of Terrorism

| Policies and Systems

In order to properly implement anti-money laundering and combating the financing of terrorism, the Company has formulated "TCFHC and Subsidiaries General Anti-Money Laundering and Combating the Financing of Terrorism Plan." The content includes indicators of group level risk appetite, group's framework for coherent risk assessment, and group's procedures for information sharing. The plan clearly specifies identification, evaluation, and management principles of money laundering and terrorism financing risks to comply with. Each subsidiary has also established relevant policies and procedures for the framework of money laundering and terrorism financing risks assessment. They also regularly conduct comprehensive assessment of such risks and report to the Board of Directors. Risk assessment reports are also submitted to FSC for reference. The Legal Compliance and AML and CFT Task Force was established at the same time, where the E.V.P. & Chief Compliance Officer serves as the convener to take charge of supervising and coordinating the implementation of legal compliance and AML and CFT tasks of respective subsidiaries and submitting the operational status of the task force on a quarterly basis to the Company's Board of Directors.



Implement risk oriented multi-level management, organize 2 compliance meetings for overseas units, and provide onsite assistance as needed



Each subsidiary also works to optimize each of their information system on anti-money laundering and combat of terrorism financing, with which databases are linked and carefully analyzed and monitored to ensure effectiveness of risk control and management on money laundering and terrorism financing. The content of anti-money laundering and combating the financing of terrorism regulations for each subsidiary includes but is not limited to the following:

<p>Designated Supervisor and Unit</p>	<p>Each subsidiary should allocate sufficient AML designated personnel and resources according to its size and risks and appoint 1 senior management designated by the Board of Directors as the designated supervisor.</p>	<p>Verify Customer Identity and Conduct Due Diligence</p>	<ul style="list-style-type: none"> Using reliable documents and documents from independent sources or data and information on the non-documents to identify and verify the identity of customers (the method of non-documents include compare with other information provided by other financial institutions and conduct a phone interview with the customer within 1 week after opening an account to confirm), in case of proxy, verify authorization of representation. For customers who are legal entities, groups or trustees, understand their ownership and control structure, identify the beneficial owner, and adopt reasonable measures to verify. When establishing business relationships with high-risk customers or customers with specific high-risk factors, review measures should be reinforced. The process should be approved by the unit's supervisor before handling and reinforced continuous monitoring should be implemented. Conduct ongoing due diligence on customers and reconfirm the customers' identities at specific times. In terms of due diligence for non-face-to-face customers, in addition to following the review method for face-to-face customers mentioned above, strengthened control measures should be implemented (such as if there is a name match or an evaluation of high risk during account opening through a VTM, the customer should be asked to switch to an in-person account opening. If there are abnormalities when applying digital deposit account opening, identity inspections should be strengthened and continuously monitor whether the account is involved in any illegal activities).
<p>Employee Selection and Hiring</p>	<p>Each subsidiary should ensure the establishment of selection of high-quality employees and hiring procedures.</p>		
<p>Employee Training Plan</p>	<p>The AML designated personnel and designated supervisors, supervisors at domestic and overseas business units and AML supervisors and personnel should participate in the on-the-job training on AML according to the regulations. The directors, supervisors, CEOs, legal compliance personnel, internal audit personnel and sales person should also arrange training and education according to the nature of the business.</p>	<p>Watch List Filtering</p>	<ul style="list-style-type: none"> The AML system conducts watch list filtering of customers and related parties (including representatives, beneficial owners, and senior management), compares and confirms whether they match the following lists: <ol style="list-style-type: none"> The customer is an individual, a legal person or an organization sanctioned under the Terrorism Financing Prevention Act, or a terrorist or terrorist group identified or investigated by a foreign government or an international organization. Current or former important political officers in the domestic or foreign government or international organization and as well as their family members or close associates. Involving money laundering or other negative news. Based on the above assessment results, determine whether to establish business relationships, handle reporting operations, or include customer risk assessments. High-risk customers can only open accounts or establish business relationships after the approval of the unit's supervisor.
<p>Sharing of Information</p>	<p>The Company and the subsidiaries with foreign branches (or subsidiaries) shall formulate information-sharing policies and procedures within the Group in compliance with information confidentiality regulations. Information on the Group's legal compliance, auditing, and anti-money laundering and combating the financing of terrorism is shared, and security measures are adopted on the use and confidentiality of the exchanged information.</p>		
<p>Internal Audit</p>	<p>The internal audit unit of the subsidiary shall conduct risk assessments on anti-money laundering and terrorism financing and formulate a plan to prevent money laundering and combating the financing of terrorism. The unit shall check whether the audit complies with regulatory requirements, implemented, and the effectiveness of the implementation. Audit opinions shall be provided.</p>		

Independent Audit Mechanism for the Year

Monitor Accounts and Transactions Continuously

- Establish policies and procedures for account and transaction monitoring based on a risk-based approach and utilize information system to assist in the detection of suspicious money laundering or terrorism financing transactions.
- Once watch-listed transactions that may be money laundering or terrorist financing are identified, the reasonableness of identified watch-listed transactions shall be determined on a case-by-case basis, and records of the inspection shall be retained. The reasons for the exclusion shall be analyzed, or reporting operations should be conducted as soon as possible.



Record Retention

- All business relations and transactions with its customers shall be recorded in hard copy or electronic form and kept for at least 5 years.
- Transaction records maintained must be sufficient to reconstruct individual transactions so as to provide, if necessary, evidence of criminal activity and may be available swiftly to the responsible units.

Reports of Transactions

- Report cash transactions above a certain amount.
- Report suspected money laundering or terrorism financing.
- Report the properties or property interests and locations of designated sanctioned individuals or entities.

Internal Audit

The Group's audit unit conducts audits periodically/from time to time each year, and has included the implementation of AML/CFT, and counter proliferation into the annual audit plan to monitor the implementation of the AML/CFT management mechanism. No significant deficiencies were found in the audit in 2023.

1. Verify the effectiveness of the plan for implementing AML/CFT, as well as whether the relevant regulations comply with the laws and regulations.
2. The scope of inspection includes high-risk products, customers, and regions evaluated of the auditee, screening of suspected transactions, and quantification of effectively enforced applicable AML/CFT regulations.
3. For deficiencies identified during regular financial audits or periodic project audits on AML/CFT by competent authorities or the audit unit of the Group. The dedicated AML unit supervises the auditees to make improvements, and the follow-up reviews are conducted by the audit unit.
4. If intentional concealment of significant violations is detected and not disclosed, the relevant responsible unit shall handle it appropriately.

External Audit

In addition to regular financial audits or irregular project audits by competent authorities, TCB and TCBF commissioned accountants to conduct annual audits of AML/CFT mechanisms in compliance with the regulations. Other subsidiaries or those required by competent authorities also commissioned accountants to conduct project audits on AML/CFT.



Strengthen AML/CFT Capabilities

In order to further increase awareness of regulatory framework on anti-money laundering and combating the financing of terrorism among employees, relevant educational trainings that the Group had organized in 2023, had received a total of 14,945 participants with a total training length of 24,768 hours. Additional education trainings on anti-money laundering and combating the financing of terrorism for directors, supervisors, senior management, and employees are also held every year with the expectation to raise awareness of legal compliance and professional capability. The Group also encourages employees to obtain the Certified Anti-Money Laundering Specialist (CAMS) and domestic certification for AML/CFT professionals. As of the end of 2023, 6,680 people, or 75.28%, in the Group had obtained such credentials.

2023 AML/CFT Educational Training

Company	Hours	Persons
TCFHC	160	80
TCB	20,634	7,522
TCBF	367	210
TCS	2,542	6,649
TCIST	114	66
BNP TCB Life	848	348
CAM	87	54
TCVC	16	16
Total	24,768	14,945

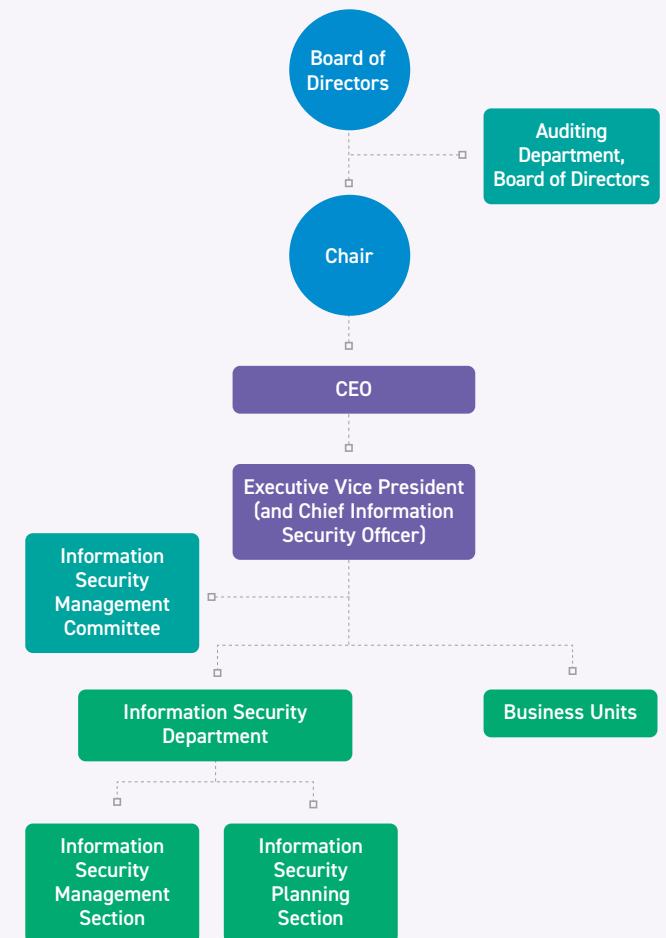
3.5 Information Security

Over the past few years, impacted by the pandemic, people are leading a life that is greatly dependent on the Internet; As a result, information security and life are closely related. Consolidating the protection over information security has become an important issue in the protection of customer rights and maintenance of a robust and operational financial system.

Information Security Governance Strategy

TCFHC follows domestic and foreign regulations, guidelines and business requirements on information security, such as the "Financial Holding Company Act", the "Guidelines for Cross Marketing among Subsidiaries of Financial Holding Company", "Information Security Protection Criteria for Financial Institutions", and the "Personal Data Protection Act", to implement "Information Security Policies", install management systems and create task forces in order to enforce information security in the Group. Based on this, TCB established the "Information Security Management Committee" to build an information security risk management framework and established a Chief Information Security Officer position in accordance with the "Financial Cyber Security Action Plan" promoted by the FSC in 2021. TCFHC also established a Chief Information Security Officer position equivalent to the position of Executive Vice President in 2022, to oversee the implementation and coordination of information security policies and allocate resources and enhance the ability to implement and respond to information security issues. To increase the understanding of the Board members on information security and include information security risks in business decision-making substantially, TCB has held information security courses for its directors, supervisors, and senior management. In addition, TCB and BNP TCB Life have also commissioned external information security professionals to participate in information security management meetings, provide consultations and suggestions on information security issues, and report the overall implementation status of information security in the previous year to the Board of Directors annually. In order to strengthen information security protection and improve information security governance, TCB continues to prepare budgets for various information security protection measures. The total information security budget for 2023 accounted for about 6.19% of the overall information budget to build new systems and optimize the current information security protection system.

Information Security Risk Management Framework



Independent Director with Information Technology Background

The proposal of information security and information-related issues reviewed by the Audit Committee.

Executive Vice President (and Chief Information Security Officer)

Oversee implementation and coordination of information security policies and allocate resources.

Information Security Management Committee

- Review information security organizational structure, policies, and important regulations.
- Review information security risk assessments.
- Review design and implementation of information security plans and regular evaluation results.
- Perform reviews necessary for information security, and improve performance effectiveness of information security systems.
- Coordinate and supervise execution of interdepartmental information security related tasks.
- Supervise and manage information security management systems at overseas branches.

Information Security Department

- Information security risk assessments are performed for information operations according to relevant laws and regulations. The purpose is to ensure the fulfillment of information operation security requirements and take appropriate and sufficient information security measures to ensure the safety of information collection, processing, transmission, storage, and circulation.
- Discuss information security policies, plans, measures, and technical requirements, and study and evaluate security technologies.
- Devise and implement information security management plans, and regularly evaluate results.
- Establish official reporting procedures and channels for information security incidents, and implement actions and measures to be taken in response.
- Discuss security requirements, use management and protection of data and information systems.



Policy

- Information Security Management Guidelines for Subsidiaries.
- Customer Information Confidentiality Measures for TCFHC and Its Subsidiaries.
- Information Security Management Policy.
- Guidelines for Responding to Computer Information Security Emergencies.



Management Systems

- Introduce firewalls, anti-virus, and intrusion detection systems.
- Strengthen network vulnerability scans.



Taskforce

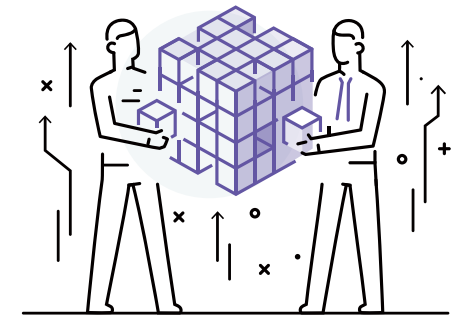
Create a computer information security response team to stay constantly updated on and able to allocate support to and report information security incidents within any member of the Group.

Information Security Emergency System

The Company has the "Guidelines for Responding to Computer Information Security Emergencies" and an interdepartmental "Information Security Response Team" in place as well as a reporting system. Regular drills are organized to ensure employees are able to respond and to effectively reduce the impacts of information security incidents. To mitigate financial losses and impacts caused by system intrusion and to quickly resume operations, TCB has purchased "Cyber Liability Insurance" in 2023 with the insured amount of NT\$150 million, hoping to effectively reduce property losses through risk transfer.

Information Security Joint Defense, Information Sharing and Collaboration

The Group currently has 60 information security personnel. The information security and protection measures and implementation status for each subsidiary are reviewed periodically every 6 months. The information security joint defense meeting of the Group is held to review the management and implementation of the information security joint defense. The information security classification and information security governance system of the Group are established to continue to strengthen overall information security and data protection. To enhance information security intelligence sharing among financial institutions, the Company and subsidiaries (TCB, TCS, BNP TCB Life, TCSIT, and TCBF) have all joined the "Financial Information Sharing and Analysis Center (F-ISAC)". Through sharing information on information security among members, the Company can assist in evaluating and suggesting regulations on information security and continue to improve relevant protection measures.



Obtain International Standard Certification

To manage the confidentiality, integrity, availability, and legality of information security and to prevent improper use, disclosure, alteration, damage, or loss of information and assets that may occur due to human neglect, intentional destruction, or natural disasters, impacting on business operations and harm the rights and interests of the Company and its customers, the relevant subsidiaries have introduced the "ISO 27001 Information Security Management System" and the "ISO 22301 Business Continuity Management System". It enhances the capabilities to respond to and manage information security incidents, protects the assets of the Company and its customers, and ensures the business operations without interruption in the event of any adverse incidents.

Company	International Standard Certification	Validity of Certification
TCB	ISO 27001 Information Security Management System	February 17, 2024 to October 31, 2025
	ISO 22301 Business Continuity Management System	December 19, 2022 to December 18, 2025
BNP TCB Life	ISO 27001 Information Security Management System	May 21, 2023 to October 31, 2025
TCS	ISO 27001 Information Security Management System	December 22, 2022 to October 31, 2025

Information Security Risk Assessment and Management

Major information security incidents aimed to attack financial institutions around the world in 2023 can be divided into DDoS attacks, ransomware attacks, online phishing, financial institution supply chain hacks, fake financial institution apps, social engineering attacks, malware attacks and other known or potential risks. The frequency of these attacks has been rising every year, and most of the sources are international hacker organizations. In 2023, the Group did not violate any information security or other Internet security events, and there were no situations where revenue was reduced or fines were imposed due to abnormal IT equipment.

Regarding information security risks caused by emerging technologies, each subsidiary implements assessments and checks, perform information security system testing, and obtain information security certification as means to enforce information security management.



Assessments and Checks

TCB amended applicable regulations and prepared the "Assessment Form Prior to Purchase and Rental of Internet of Things (IoT) Equipment" to facilitate risk assessments performed by the sales unit before purchasing and renting IoT equipment in order to boost service quality, to enhance and protect the rights of customers and to meet the regulatory requirements of the competent authority.



Information Security System Testing and Monitoring

- Internet weakness scanning, source code weakness scanning, and website infiltration test are carried out, and risks are tracked by level so as to update or repair loopholes in the system.
- Intrusion detection and prevention systems to monitor irregularities.
- Email and network filtering and personal data protection systems to protect and monitor emails and network transmission of personal data.
- Regularly perform equipment enhancement checks.
- Malware and other information security checks.
- Install an information security log management system to perform associative analysis across different log events with different information security facilities to monitor any abnormal external connections.
- Outsource to external risk assessment service providers to carry out analysis on type, frequency, and source of potential attack trends, so as to understand vulnerabilities not under control or make improvement on unintentionally leaked information.



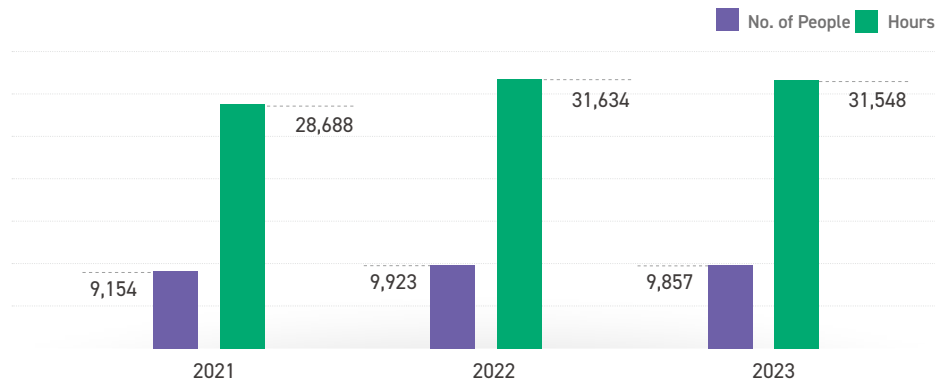
Obtain Information Security Certification

In 2023, TCB, TCS and BNP TCB Life have again passed certificate of "ISO 27001 Information Security Management System" issued by BSI. The companies have followed circular management spirit of Plan-Do-Check-Action as advocated by ISO 27001 to engage in information security risk assessment regularly by looking into both internal and external audit opinions and concerned issues, so as to be fully informed of threat to the overall information security and vulnerabilities. For high risk vulnerabilities, both have generated corresponding improvement plan and followed such plan to get improvement done.

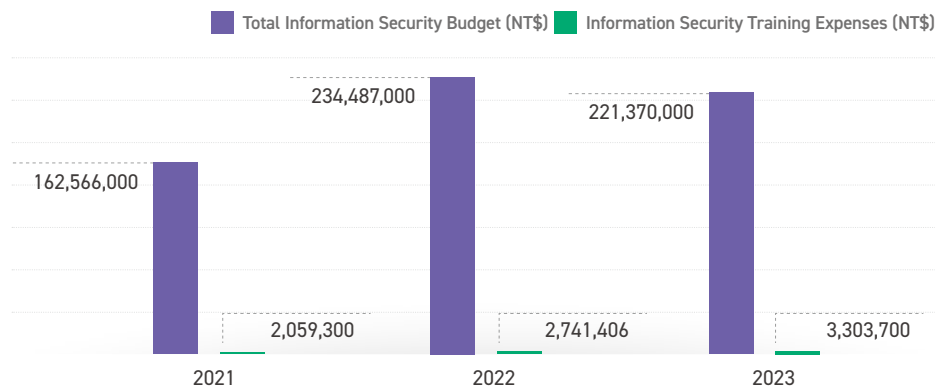
Information Security Training and Social Engineering Exercises

In order to make employees more aware of information security and more able to safeguard information, TCFHC continues to organize group-wide information security trainings every year. The completion rate for employees is 100% in 2023. In addition, both "social engineering email attack drills" and "DDoS attack drills" were held to strengthen the ability to respond to email and network attacks. The open rate and the click-to-open rates for links and attachments in the "social engineering email attack drills" had to be under 3%. All the rates were under 3% for the Group in 2023.

Number of Participants and Hours of Information Security Training and Social Engineering Exercises



Total Budget for Information Security and Expenses for Information Security Training



3.6 Privacy Protection GRI 418-1

Privacy Protection Policies and Management

As financial businesses operated by each subsidiary contain a large amount of personal information, the Group has improved the content of privacy protection through 3 aspects, which are Customer Information Confidentiality Measures, Customer Data Sharing Privacy Declaration, and protection of personal information. It has incorporated related management measures in the dedicated unit's "Checklist of self-evaluation on Legal Compliance" conducted every 6 months to self-assess regularly and ensure compliance.

Customer Information Confidentiality

To provide customers with more complete and diverse financial products or services, the Company has the "TCFHC Customer Information Confidentiality Measures" in place and has announced it on the official websites of respective subsidiaries. They include specific information on how customer data are collected, stored and retained, data security and protection, data classification, scope and items of utilization, purpose of data utilization, to whom the data are disclosed to, how to change and modify customer data, what to do if customers are unwilling to receive information on shared marketing events of the Group or unwilling to allow inter-utilization of their data throughout the Group, and disclosure of subsidiaries among which customer data are disclosed and utilized interchangeably.

Customer Data Sharing Privacy Declaration

To improve the convenience of customers, strengthen the Company's risk management, and promote cooperation among financial institutions to ensure consumer rights, the Company has formulated the "Regulations for TCFHC Sharing Data between Financial Institutions" under the principle of information security, allowing appropriate use of customer data. The Company has established a control mechanism for sharing data among financial institutions for the Group. It also disclosed the "Customer Data Sharing Privacy Protection Declaration" on the Company's website, which includes customer protection measures when sharing data and methods for protecting customer rights and interests to improve the Group's transparency in sharing data and customer trust.



Protection of Personal Information

The Company has formulated the "Personal Data Protection Management Policy", which is applicable to the Company, its subsidiaries, and suppliers entrusted by the Company and its subsidiaries to collect, process or use personal data, so as to implement the Group's protection of personal data and privacy rights. Meanwhile, there are "Personal Data File Security Maintenance Measures" and "Personal Data File Security Audit Mechanism". In addition, all subsidiaries are equipped with personal data protection management policies or utilization guidelines. For example, TCB governs the "nature of customer data", "method of use", "retention period", "access, transfer, amendment, deletion", "disclosure to third parties", and "freedom of choice whether to provide relevant personal data and types of data" and other customer rights and interests and fully disclose them on the official website to inform customers. Full disclosures or notifications are provided in the products or services. In addition, guidelines are put in place for changing related information, cancelling utilization, and filing grievances.

The Company and its subsidiaries also set up an operational organization for personal data protection management to promote and handle the security audit of personal data files, develop acceptable risk values for personal data files, and conduct risk assessment operations and self-assessment operations for personal data files. In addition, according to the "Personal Data Protection Management Policy", the Company should conduct internal audits on a regular basis to check the effectiveness of the personal data protection management system and implementation. If required by competent authorities, an external organization should be entrusted by subsidiaries to conduct the audit. For example, TCB entrusts an accountant to conduct a special audit of personal data protection every year, BNP TCB Life entrusts an accountant to handle the implementation degree inspection every year, and TCBF entrusts an accountant to handle the internal control system with the content of personal data protection, so as to grasp the situation of personal data protection management and to improve. In 2023, TCB and BNP TCB Life obtained the "BS 10012:2017 Personal Information Management System" certification, passed regular reviews, and maintained the validity of the

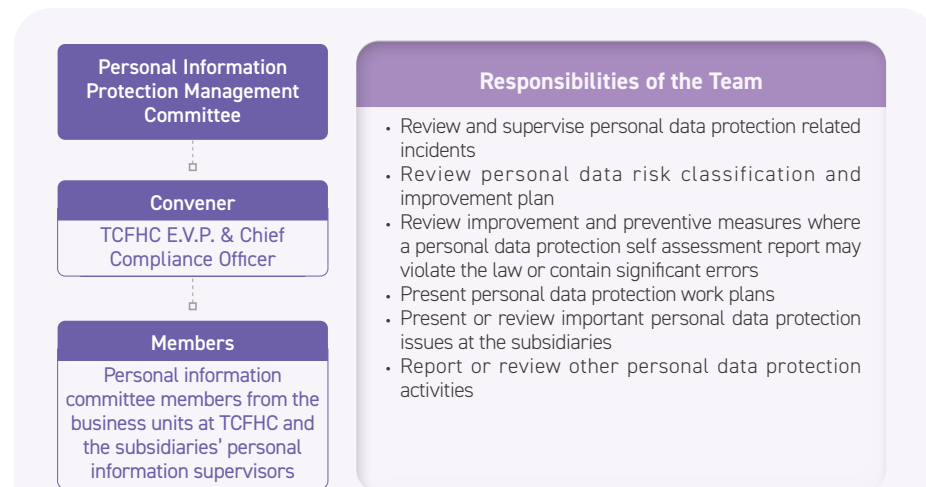
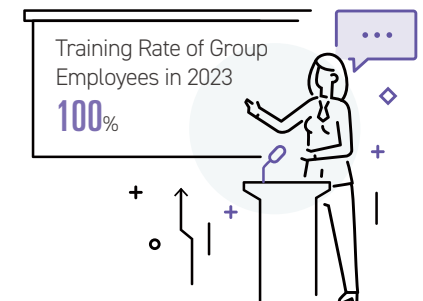
certificate. TCS also completed the external verification by Taiwan Personal Information Protection & Administration System (TPIPAS), passed the verification update successfully, and continued to maintain the validity of TPIPAS verification.

Procedures for Handling Privacy Protection

In response to security breaches, including personal data being stolen, altered, damaged, destroyed, or disclosed, the Company has established the "Response Notifications and Preventions of Personal Information Breach". Each subsidiaries has also implemented personal data incident response and reporting procedures. For example, TCB follows the "Guidelines for Handling and Reporting Personal Information Security Incidents" in handling personal information incidents involving information leaks. For general personal information incidents, the units in charge should be notified first, and the response procedure will include investigating the cause, notifying the parties involved, and discussing corrective and preventive measures. Where it involves customer information and is classified as material event, the Crisis Management Task Force will be assembled to perform post-incident response measures while staying in close communication with the customer, and issue a standard news release if necessary. In addition, the Group also has regulations such as "Personal Data Protection Management Policy" and "Employee Reward and Punishment Points". Any employee found leaking business secrets or violating internal regulations will receive reprimands, demerits, or even termination of labor contracts as punishment. In addition, if suppliers and their staff violate applicable regulations governing personal data protection or agreements on the protection of personal data to result in damages borne by the Company or its subsidiaries, they are responsible for indemnification, too. In 2023, TCFHC Group encountered no data leakages, no percentage of information breaches related to personal data, no number of customers affected, and no violation of personal information protection. In addition to no personal data leakage and legal proceedings related to customer privacy, TCB fully monitors the use of customers' personal data and about 54.45% of customer data is used for the 2nd time without violating relevant laws and agreements with customers.

Training and Education on Privacy Protection

The Group regularly organizes personal information protection training. For example, TCB provided the "Personal Information Incident Prevention and Emergency Response Courses", and BNP TCB Life rolled out "Personal Information Protection Courses" on its digital learning platform for raising security and legal awareness on the use of personal information in daily operations.



CH4

Sustainable Finance

Stakeholders of Concern

- + Shareholders/Investors
- + Customers
- + Community
- + Governments and Competent Authorities
- + Suppliers
- + Media
- + Academic/Consultancy/ Industries/Guilds and Association

Corresponding Material Topics

- + Sustainable Finance
- + Climate Strategies and Actions



SDGs






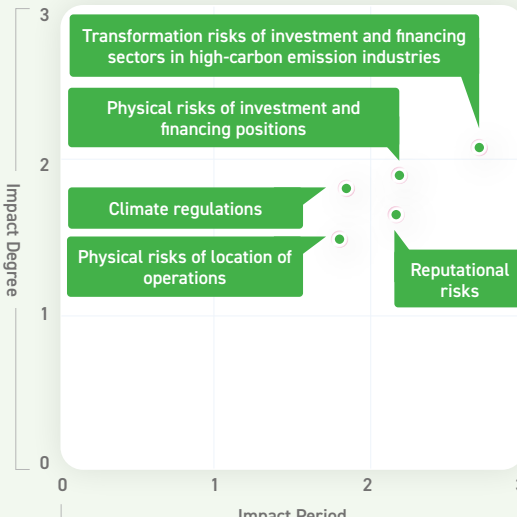
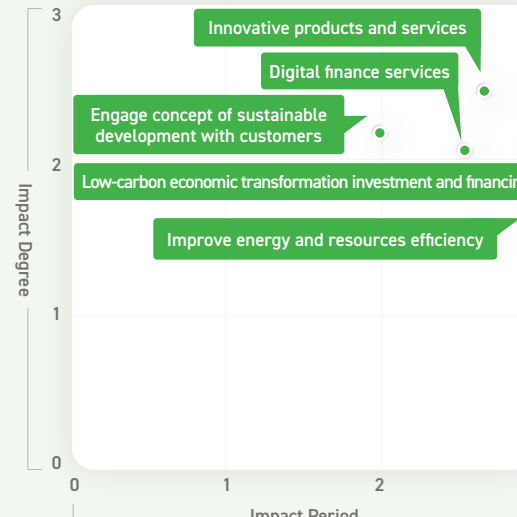
4.1 Climate Strategies and Actions GRI 2-12、2-13、2-14、2-16、2-17、2-18、2-23、2-24、201-2

Climate change has become a global issue that cannot be ignored. As an important player in the capital market, the financial industry should become a leader in climate change management. The Company became a TCFD Supporter in December 2020 and established a cross-subsidiary TCFD Task Force within the Group. The Company has gradually established the Group's risks and opportunities identification, measurement, monitoring, reporting and other management procedures through education and training and task force meetings according to TCFD's "Governance", "Strategy", "Risk Management", and "Metrics and Targets".

Following the "Task Force on Climate-Related Financial Disclosures"(TCFD) launched by the Financial Stability Board (FSB) in 2017, financial supervisory agencies around the world have gradually formulated climate risk management-related disclosure norms, including the "Climate Risk Financial Disclosure Guidelines for Domestic Banks" and "Climate Risk Financial Disclosure Guidelines for the Insurance Industry" issued by Taiwan's FSC in 2021. The Company also follows the "comply or explain" principle when making disclosures. The summary of implementation results is as described hereunder. For complete contents of the disclosure, refer to the [2023 TCFD and TNFD Report](#) for details.

	TCFD Aspects/ Disclosure Indicator	Execution Results		Corresponding TCFD & TNFD Report
Governance	 Governance Framework and Responsibilities	<p>a. The Board's oversight of climate-related risks and opportunities</p> <p>The Company, TCB, BNP TCB Life and TCBF have all formulated "Climate Risk Management Guidelines" or "Climate Risk Management Measures", which clearly define the organizational structure, authorities and responsibilities of climate risk management for the Board of Directors, relevant committees, senior management, working groups, and the 3 lines of defense for internal control. The rest of the subsidiaries manage climate-related risks in accordance with the Company's governance principles due to the low proportion of exposure.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p style="text-align: center;">TCFHC Board of Directors</p> <p>The Company's highest decision-making body of climate risk management to ensure the establishment and maintenance of an appropriate and effective climate risk management system.</p> <p style="text-align: center;">Chair</p> <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p style="text-align: center;">Risk Management Committee</p> <p>The coordinating unit for climate risk management and be responsible for reviewing and approving the Company's climate risk management principles and limits. Monitor the implementation of climate risk management of the Company and subsidiaries on a quarterly basis and report to the Board of Directors</p> </div> <div style="width: 45%;"> <p style="text-align: center;">Senior Management</p> <p>Regularly review the Company's climate risk exposure status and risk management implementation every month and evaluate whether the response strategies under different climate scenarios are resilient</p> </div> </div> </div> <div style="width: 45%;"> <p style="text-align: center;">Sustainable Development Committee</p> <p>The Company's supervisory unit for climate risk management-related systems</p> <p style="text-align: center;">Sustainable Finance Task Force</p> <p style="text-align: center;">TCFD Task Force</p> </div> <div style="width: 45%;"> <p style="text-align: center;">TCB Board of Directors</p> <p style="text-align: center;">Chair</p> <div style="display: flex; justify-content: space-around;"> <div style="width: 30%;"> <p style="text-align: center;">Risk Management Committee</p> <p style="text-align: center;">Asset and Liability Management and Business Development Committee</p> <p style="text-align: center;">First Line of Defense TCB head office business supervisory unit and business unit</p> </div> <div style="width: 30%;"> <p style="text-align: center;">Senior Management</p> <p style="text-align: center;">Enterprises Investment and Trading Securities Review Committee</p> <p style="text-align: center;">Second Line of Defense Risk Management Department/Legal Compliance Department</p> </div> <div style="width: 30%;"> <p style="text-align: center;">E.V.P. & General Auditor</p> <p style="text-align: center;">Credit Review Working Groups</p> <p style="text-align: center;">Third Line of Defense Audit unit</p> </div> </div> </div> </div>	1.1	
	 Reporting Mechanism	<ul style="list-style-type: none"> Each business unit regularly reports the implementation status of climate-related issues to the risk management unit according to its business activities. Risk management units report important climate risk management issues to the Risk Management Committee on a quarterly basis. The Risk Management Committee regularly reports climate risk identification results and management processes to the Board of Directors. 	1.2	

		Execution Results		Corresponding TCFD & TNFD Report
		a. The Board's oversight of climate-related risks and opportunities	b. Management's role in assessing and managing climate-related risks and opportunities	
Governance	 Cultivating Knowledge and Skills	<ul style="list-style-type: none"> In 2023, 100% of risk management personnel across the Company's various units and subsidiaries attended climate-related training. In 2024, the Company will further develop more comprehensive differentiated training structures based on the business activities of each unit to ensure the training content meets each unit's needs. 		1.3
	 Climate-Related Management Incentives	To provide incentives for the management of climate change issues, the Company has linked the annual bonuses, raises, and job reassignments of the chairs and CEOs of subsidiaries with climate risk management in the "Appraisal Measures for Subsidiary's Business Management", establishing climate-related performance indicators to strengthen the Group's management of climate change related issues.		1.4

		a. The climate-related risks and opportunities the organization has identified over the short, medium, and long term		
Strategies	 Identification and Results of Climate Risks and Opportunities	Gather and study domestic and foreign climate-related research literatures and consider the climate risk and opportunity management issues of peers in the financial industry to establish an identification survey on 5 climate related risks and 5 climate related opportunities. The survey allows TCFHC to better understand how each unit and subsidiary views climate risks and opportunities.		
		<p>Materiality Assessment Threshold Setting</p> <p>Based on domestic and foreign literatures and financial peer review results, we follow the steps below to determine major climate risks and opportunities:</p> <ul style="list-style-type: none"> Analyze results of the questionnaire, and sort by multiplying the "impact degree" and "impact period". Comprehensively evaluate the financial impact of the issues on the company and select the top 40% of risks and opportunities. 	<p>Climate Related Risk Matrix</p> 	<p>Climate Related Opportunity Matrix</p> 

TCFD Aspects/
Disclosure
Indicator

Execution Results

Corresponding
TCFD & TNFD
Report

b. The impact of climate-related risks and opportunities on the organization's business, strategies, and financial planning

Risk Items	Description	Impact Value Chain	Financial Impact	Links to Existing Risks
Transformation risks of high-carbon emission investment and financing positions	High-carbon emission industries are facing increasingly stringent energy transition policies and low-carbon related regulations, which has led to an increase in operating costs or a decrease in asset value for related companies, which is further reflected in their repayment capabilities and the prices of securities they issue.	<ul style="list-style-type: none"> • Financing • Investment 	<ul style="list-style-type: none"> • Asset value loss 	<ul style="list-style-type: none"> • Credit risks • Market risks
Physical risks on investment and financing positions	As the frequency of extreme climate events increases, it may cause negative impacts on the operations and finances of investment and financing objects, and cause a decrease in the value of real estate collateral located in high climate risk areas.	<ul style="list-style-type: none"> • Financing • Investment 	<ul style="list-style-type: none"> • Asset value loss 	<ul style="list-style-type: none"> • Credit risks • Market risks
Impact of climate-related regulations on the Group's operations	In response to the low-carbon transformation requirements of policies and regulations, the Group's own operations have increased expenditures related to energy conservation and carbon reduction (such as the use of renewable energy and the purchase of energy-saving equipment), resulting in an increase in operating costs.	<ul style="list-style-type: none"> • Own Operations 	<ul style="list-style-type: none"> • Asset value loss • Compliance costs increase • Indirect costs increase 	<ul style="list-style-type: none"> • Operating risks • Compliance risks
Reputational risks	With the rise in awareness about environmental sustainability, investors and the general public are concerned about whether the company adheres to its promise by complying with international sustainability standards or initiatives. Upon failure to act and cope with climate change as promised, it will impact the impression that stakeholders about the company and undermine its brand image.	<ul style="list-style-type: none"> • Own Operations 	<ul style="list-style-type: none"> • Compliance costs increase • Indirect costs increase 	<ul style="list-style-type: none"> • Operating risks
Impact of physical risk on operating locations	Climate weathers can damage operating sites and IT equipment and accordingly result in the risk of disrupted operations and the incurred increase in maintenance and operational costs.	<ul style="list-style-type: none"> • Own Operations 	<ul style="list-style-type: none"> • Asset value loss • Direct costs increase • Indirect costs increase 	<ul style="list-style-type: none"> • Operating risks

Opportunities	Description	Impact Value Chain	Financial Impact
Innovative products and services	Sustainability issues have become a key issue of public concern, and financial industry peers have successively launched green products or low-carbon economic value-added services, which not only improves customers' favorability of the company's brand, but may also indirectly increase overall revenue.	<ul style="list-style-type: none"> • Financing • Customers • Own Operations 	<ul style="list-style-type: none"> • Revenues increase • Indirect costs decrease • Goodwill increases
Low-carbon economic transformation investment and financing	As net-zero carbon emissions have become a global consensus and trend, in order to promote the industry to move towards a low-carbon economy, relevant low-carbon transformation policies have been launched. By investing in green financing, green bonds and green energy investments, the company can implement a sustainable economic model and help to adjust operating strategies and obtain benefits derived from the growth of related industries.	<ul style="list-style-type: none"> • Financing • Investment 	<ul style="list-style-type: none"> • Revenues increase • Investment opportunities increase • Goodwill increases
Digital finance services	Digital transformation driven by FinTech is a global mainstream. By moving towards paperless services and optimizing contactless customer experience, the company is minimizing the amount of waste and greenhouse gases generated, creating low-carbon value, meeting market expectations, and boosting corporate operational efficiency.	<ul style="list-style-type: none"> • Customers • Own Operation 	<ul style="list-style-type: none"> • Revenues increase • Goodwill increase • Indirect costs decrease



Impact of
Climate
Related Risks

Strategies



Impact of
Climate
Related
Opportunities

2.1



2.1

TCFD Aspects/
Disclosure
Indicator

Execution Results

Corresponding
TCFD & TNFD
Report

b. The impact of climate-related risks and opportunities on the organization's business, strategies, and financial planning

Opportunities	Description	Impact Value Chain	Financial Impact	
 Impact of Climate Related Opportunities	Improve energy and resources efficiency Improve the energy and resource use efficiency of existing buildings and continue to increase the configuration and utilization of renewable energy to accordingly create low-carbon buildings or green buildings and provide employees with optimal work environments.	• Own Operations	• Indirect costs decrease • Goodwill increases	2.1
	Engage concept of sustainable development with customers By negotiating and communicating with customers through diverse channels, the company can give customers a better understanding of its low carbon products, thereby increasing operating revenue. At the same time, this might encourage high climate risk customers to adopt responsive measures to improve financial resilience.	• Customers	• Revenues increase • Goodwill increases	
Climate Strategy	Topics Covered	Metrics and Targets		
 Climate Response Strategies and Actions (For details, refer to the "Climate Strategy Blueprint" in the TCFD & TNFD Report)	Spearheading Corporate Transformation Striding towards a Net-Zero Future Green Investment and Financing	• The capacity of renewable energy installations approved for offshore wind power and green energy-saving industry loans is targeted to increase by 130MW every year. • TCVC expects to increase the new amount of green investment by 10% compared with the previous year's target, but it will not exceed 5% of its net worth. • Include ESG factors in the investing, financing, and product review processes.		2.3 4.1 4.2
	Green Financial Products and Services	• An increase of 10% in the target amount of a loan applied for by green consumers each year from the previous year • TCB increases the underwriting ratio of green bonds and issues green credit cards in order to accomplish carbon reduction symbol certification for credit cards by 2026.		2.3 4.1 4.2
	Climate Engagement and Initiative	• ESG topics are included in the investment evaluation decision-making process to strengthen dialogs and interactions on ESG topics with invested companies.		2.3
Promoting Zero Carbon Management	Carbon Emissions of Financial Assets	• Follow the SBTi goals.		2.3 4.1
Strengthening Climate Resilience	Climate Risk Management	• Continue to advance in climate governance, strategies, risk management, indicators, and goals, among others. • Continue to answer to government policies, with the upper limits of investments in highly-polluting and high carbon-emission industries reduced by 1% from the previous year.		2.2 3.2 4.2
Utilization of Green Energy	Transformation to Low-Carbon Energy	• TCB sets up 5 to 7 solar power branches each year and will hopefully have 35-49 solar power branches by the end of 2029. • Adjusting the amount of renewable energy used on a rolling basis reflective of SBT goals.		2.3 4.2
Fulfillment of Low-Carbon Operations	Fulfillment of Green Operations	• Carbon reduction by 50.4% by 2032 from 2021 in compliance with SBT goals; targeting fulfillment of the national spontaneous carbon reduction commitment of "Net-Zero Carbon Emissions by 2050". • Continuing with the Group-wide "ISO 14064-1 Greenhouse Gas Inventory" verification. • TCB continues to examine and update its internal carbon pricing each year and utilize it in reality. • Resource recycling rate >30%. • Waste is reduced by an average of 2% compared to the past 3 years.		2.3 4.2

Strategies

TCFD Aspects/
Disclosure
Indicator

Execution Results

Corresponding
TCFD & TNFD
Report

c. The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

In order to measure the impact of the previously revealed major risks and opportunity identification results on the Group, 4 climate risks were selected (transformation risks of high-carbon emission investment and financing positions, physical risks of financing positions, the impact of climate-related regulations on the Group's operations, and the impact of operating bases). In addition, 1 opportunity (investment and financing for low-carbon economic transformation) was selected to conduct scenario analysis to quantitatively assess climate-related financial impacts, and develop response strategies and measures based on the quantitative impact analysis results to strengthen the control of specific climate risks and grasp of opportunities.

Aspect	Target	Climate-related Risk Classification	Risk Description	Region	Climate Scenarios
Financing	Credit in high carbon emission industries	Transition risk - policy and regulations, market.	Transition risks for credit in high carbon emission industries	Taiwan	<ul style="list-style-type: none"> NGFS Net Zero 2050 NGFS Delayed Transition NGFS Current Policies
	Real estate collateral for individuals	Physical risk - floods	Impact of heavy rainfall and flooding on real estate collateral for individuals	Taiwan	<ul style="list-style-type: none"> RCP 2.6 RCP 4.5 RCP 8.5
	Real estate collateral for corporates	Physical risk - floods	Impact of heavy rainfall and flooding on real estate collateral for corporates	Taiwan	<ul style="list-style-type: none"> RCP 2.6 RCP 4.5 RCP 8.5
	Large energy consumers	Opportunity - market	Opportunities for green loans	Taiwan	<ul style="list-style-type: none"> Intended Nationally Determined Contribution (INDC)
Investment	Passbook Investment positions	Transition risk - policy and regulations, market	The imposition of carbon fees has an impact on high-carbon emission industries and indirectly affects the investment positions of banks	Global	<ul style="list-style-type: none"> NGFS Net Zero 2050 NGFS Delayed Transition NGFS Current Policies
Insurance products	Personal insurance death claim	Physical risk - heating up	Impact of global warming on personal insurance death claim amounts	Taiwan	<ul style="list-style-type: none"> RCP 2.6 RCP 8.5
Own operations	TCB bank locations	Physical risk - floods	Impact of heavy rainfall and flooding on locations of operation	Taiwan	<ul style="list-style-type: none"> RCP 2.6 RCP 4.5 RCP 8.5
	Group locations of operations	Transition risk - own operations	Impact of low-carbon transition compliance costs on own operations	Taiwan	<ul style="list-style-type: none"> Intended Nationally Determined Contribution (INDC)
Suppliers	IT and system suppliers	Physical risk - floods	Impact of heavy rainfall and flooding on the service provided by IT and system suppliers	Taiwan	<ul style="list-style-type: none"> RCP 2.6 RCP 4.5 RCP 8.5
Domestic banks manage climate change scenario analysis work plan	Corporate finance, consumer financing, bank book investment positions	Transition risk - policy and regulations Physical risks - extreme rainfall, floods, drought	Impact of transition risk and entity risk on various asset classes	Global	<ul style="list-style-type: none"> NGFS Net Zero 2050 NGFS Delayed Transition NGFS Current Policies

2.2

Climate Strategy
Resilience

Based on the scenario analysis results, the impact of relevant financial impacts on the capital adequacy ratio was further taken into consideration. The assessment results showed a slight decrease, but it was still within the acceptable range of internal control. Therefore, it was judged that the current climate strategy was resilient. The Group will continue to deepen climate response strategies and actions and increase operational resilience to move towards climate sustainability.

2.2

Strategies

TCFD Aspects/
Disclosure
Indicator

Execution Results

Corresponding
TCFD & TNFD
Report

a. The organization's processes for identifying and assessing climate-related risks

b. The organization's processes for managing climate-related risks

Comprehensively check the climate-related physical and transition risks on own operations, investment and financing and other business activities, which may cause existing risks (such as credit, market, liquidity, operation and reputation risks) in the short-, medium- and long-term impacts. The risk level is determined according to the geographic location of the asset or the risk exposure of carbon-related (high pollution and high carbon emission) assets to identify risks and conduct materiality assessment. The climate risk identification and assessment process is mainly divided into 4 major steps, which are identify, evaluate, monitor, and report.



Risk
Identification,
Assessment,
and
Management
Procedures

Referencing domestic and foreign climate-related risk reports and the identification results of benchmark companies, each subsidiary identifies its main climate risks and opportunities based on its business characteristics.

Based on company's business characteristics, regularly measure the impact of climate events, the possibility of an event occurring, and the potential risks to operating activities.

Depending on the scope and nature of the business, regularly monitor climate risk-related indicators and the financial impact of scenario analysis results.

The Risk Management Department regularly compiles the climate risk management implementation status, relevant response measures and strategies of each subsidiary every year and reports it to the Risk Management Committee and the Board of Directors.



3.3

Risk Management

TCFD Aspects/
Disclosure
Indicator

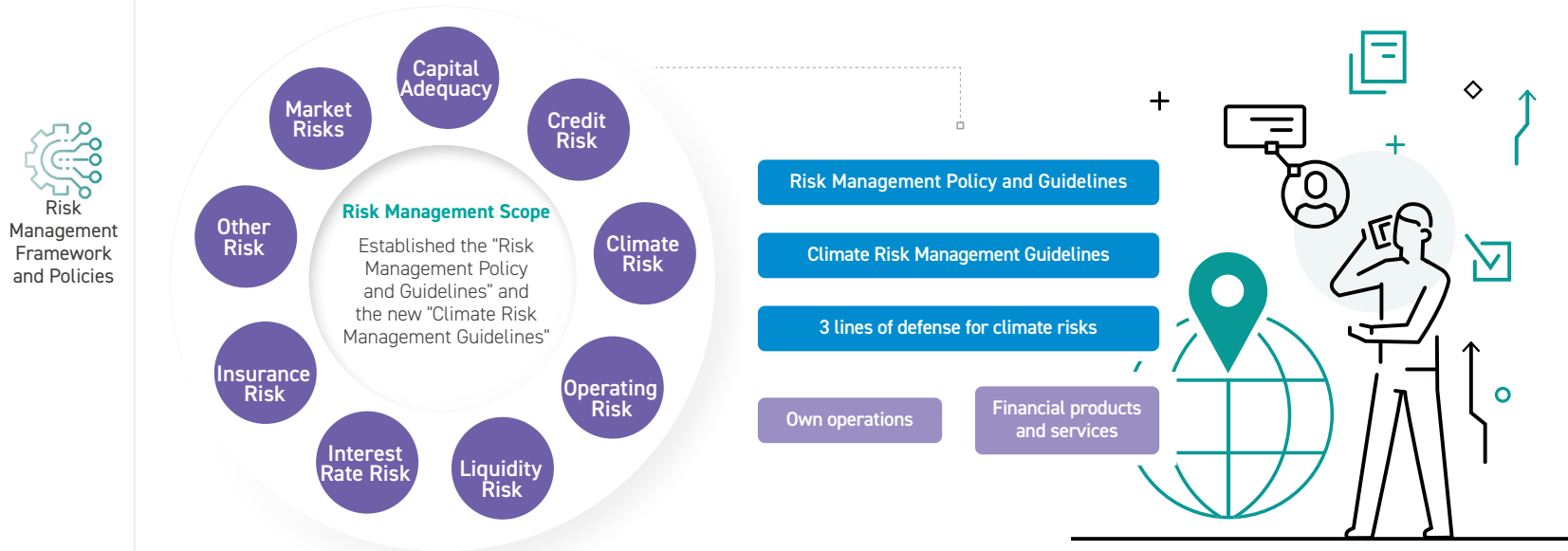
Execution Results

Corresponding
TCFD & TNFD
Report

c. How processes for identifying, assessing, and managing climate-related risks are integrated into its overall risk management

- In 2022, the "Climate Risk Management Guidelines" was established based on the "Risk Management Policy and Guidelines", incorporating climate risks into the existing risk management structure and integrate issues related to climate risks and opportunities into business, strategy and financial planning. The Guidelines apply to the whole Group.
- According to the Company's "Risk Management Policy and Guidelines", the Board of Directors is the ultimate undertaker of overall risk management. It is clearly stipulated that the Company and its subsidiaries should establish risk identification, measurement, supervision and control procedures. Senior managers and risk management units are respectively responsible for supervising and implementing risk management policies, and reporting the implementation status in accordance with regulations.
- Clearly divide climate management responsibilities based on the 3 lines of defense of internal control in order to achieve effective governance.

Risk Management







3.1

Risk Appetite
and Limit

- Climate risk appetite declaration: The Company and its subsidiaries support transformation goals consistent with the "Paris Agreement" and "Taiwan's Pathway to Net-Zero Emissions in 2050", assessing the impact of physical risks and transformation risks to formulate corresponding climate risk mitigation and adaptation measures.
- New risk limits for "high pollution and high carbon emission industries" have been set in 2023 to monitor the risk status of high climate risk-sensitive industries, carry out differentiated management measures for industrial positions that are more affected, and help to strengthen the identification, assessment and management of climate risks.

3.2

TCFD Aspects/ Disclosure Indicator	Execution Results	Corresponding TCFD & TNFD Report
b. Disclose scope 1, scope 2 and, scope 3 GHG emissions and the related risks		
 Own Operations GHG Emissions	<ul style="list-style-type: none"> All locations in Taiwan and overseas passed "ISO 14064-1 Greenhouse Gas Inventory" certification. Detailed verification data of each category refers to 7.1 Green Operation. In 2023, the carbon emissions of category 1 and 2 of the Company's own operations were reduced by 18.9% compared with 2021. Participate in the Carbon Disclosure Project (CDP) and introduce "ISO 50001 Energy Management Systems" and "ISO 14001 Environmental Management Systems", continuously reducing GHG emissions. 	4.1
 Investment and Financing GHG Emissions	<ul style="list-style-type: none"> Since 2021, the Group has complied with the directions of the Partnership for Carbon Accounting Financials (PCAF) to conduct carbon accounting on financial assets, covering the carbon emission of business loans, equity and bond investment portfolios, sovereign debt investments, project finance, commercial real estate loans, mortgages, and motor vehicle loans to assess the carbon emission distribution of the Company's overall financial assets. The Group's carbon reduction target has been validated by the Science-Based Targets Initiatives (SBTi) in 2023. In 2023, investment and financing emissions are 14,210,397 metric tons of CO₂e in total. Detailed inventory data of each category refers to Analysis of Carbon Emissions of Financial Assets. 	4.1
a. The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process c. The targets used by the organization to manage climate-related risks and opportunities and performance against targets		
 Other Climate Metrics and Targets	<p>In addition to GHG emission indicators and targets, the Company also established key climate metrics and targets for energy use, transition risks, climate-related opportunities, internal carbon pricing, climate governance, engagement and communication.</p>	4.2
 Climate Metrics and Targets Monitoring Mechanisms	<p>In order to reduce the impact of climate related risks and opportunities on the business, the TCFD Task Force holds regular meetings to communicate and understand the management needs of each subsidiary, while the Risk Management Department compiles the key climate metrics and targets achievement status developed by the subsidiaries every year and submits reports according to prescribed procedures.</p>	4.1-4.2

Metrics and Targets

Analysis of Carbon Emissions of Financial Assets

Since 2021, the Group has complied with the directions of PCAF to conduct carbon accounting on financial assets. In 2023, the scope of the inventory has been expanded to include business loans, equity and bond investment portfolios, sovereign debt investments, project finance, commercial real estate loans, mortgages, and motor vehicle loans. For long-term debts and equity and bond investment, we also analyze carbon emission intensity by industry to identify industries with higher carbon emissions, as a reference for strengthening negotiation and counseling transformation, and at the same time study the integration and application of carbon emission factors and investment and financing decision-making processes in order to optimize the overall climate risk management. Meanwhile, we introduce SBTi and refer to Taiwan's net-zero path to assist the Group's investment and financing decarbonization and net-zero transformation.

Overview of Carbon Emissions of Financial Assets

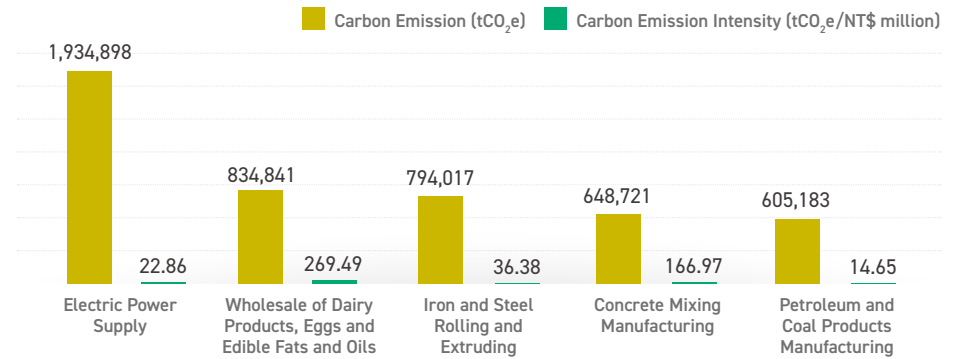
	2021	2022	2023
Carbon Emissions (tCO ₂ e)	4,750,901	6,445,412	14,210,397
Carbon Emission Intensity (tCO ₂ e/NT\$ million)	7.60	5.90	4.98
Data Quality	2.83	3.19	3.10
Percentage of Positions (%)	16.81	28.30	68.87

Note: Please refer to the [2023 TCFD&TNFD Report](#) for detailed carbon emission information of previous years.

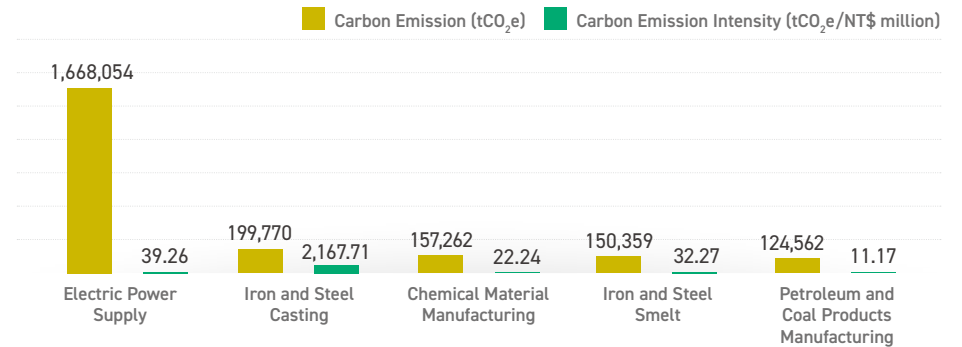
Financial Carbon Emission Proportion and Carbon Emission Intensity of Each Asset Category in 2023

Asset Category	Carbon Emission (tCO ₂ e)	Carbon Emissions Ratio	Carbon Emission Intensity (tCO ₂ e/NT\$ million)
Business Loans	8,587,934	60.5%	7.24
Listed Equity and Corporate Bond Investments	2,624,029	18.5%	9.12
Sovereign Debt Investments	2,562,566	18.0%	6.22
Project Finance	48,149	0.3%	0.72
Commercial Real Estate Loans	128,196	0.9%	0.87
Mortgages	259,520	1.8%	0.35
Motor Vehicle Loans	3	0.0%	0.60

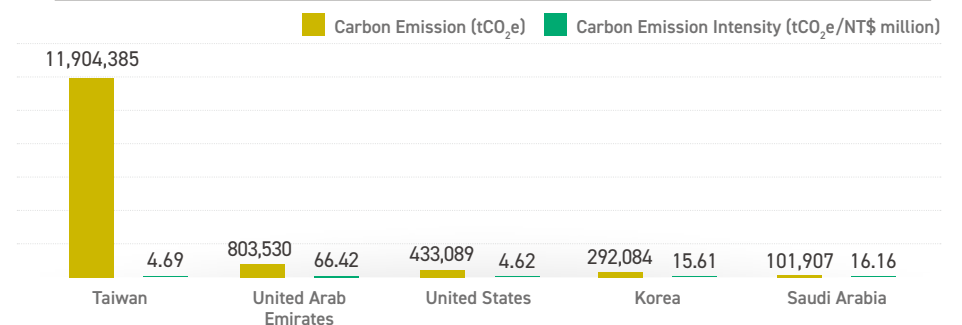
Top 5 Financial Carbon Emitting Industries for Business Loans in 2023



Top 5 Financial Carbon Emitting Industries for Equity and Corporate Bond Investment in 2023



Top 5 Financial Carbon Emitting Countries by Investment and Financing Portfolio in 2023



📁 Fulfillment of Investment and Financing Targets of SBT

In 2022, TCFHC finished setting its investment and financing targets based on the SBTi carbon reduction path, planned and prepared applicable carbon reduction strategies and actions, and regularly tracked the carbon reduction progress, hoping to fulfill its long-term investment and financing targets of decarbonization and net-zero transformation.

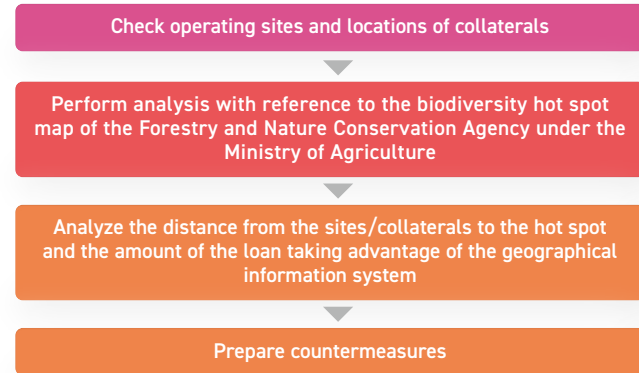
Category	Assets/Scope	2023 Targets	Fulfillment of 2023 Targets	Near-Term Targets	Long-Term Targets
 Investment	Listed Equity and Corporate Bonds	15.9% of TCFHC's listed equity and corporate bonds portfolio by invested value will set SBTs in 2023	The proportion of setting SBT in relevant position reached 17.3%	TCFHC commits that 35.7% of its listed equity and corporate bonds by invested value will set SBT by 2027	Support "Taiwan's 2050 Net-Zero Emission Path" to achieve net-zero emission targets for financial assets
	Electric Power Supply Project Finance	Continue to provide renewable energy power supply project finance	There's only renewable energy power supply project finance in relevant position	TCFHC commits to continue to provide renewable energy power supply project finance through 2030	
 Loans	Commercial Real Estate Loans	The GHG emission intensity (kgCO ₂ e/m ²) from the commercial real estate loans will decrease 12.9% in 2030 from the base year 2021	Emission intensity reduced by 39.0%	TCFHC commits the GHG emission intensity (kgCO ₂ e/m ²) from the commercial real estate loans will decrease 53.4% by 2030 from the base year 2021	
	Corporate Long-Term Loans	The GHG emission intensity (tCO ₂ e/MWh) from the electric power supply will decrease 9.9% by 2023 from the base year 2021	Emission intensity increased by 5.3%	TCFHC commits the GHG emission intensity (tCO ₂ e/MWh) from the electric power supply will decrease 43.9% by 2030 from the base year 2021	
		The GHG emission intensity (kgCO ₂ e/m ²) from the commercial real estate long-term loans will decrease 12.8% by 2023 from the base year 2021	Emission intensity reduced by 12.4%	TCFHC commits the GHG emission intensity (kgCO ₂ e/m ²) from the commercial real estate long-term loans will decrease 52.8% by 2030 from the base year 2021	
		15.0% of its corporate loan portfolio (long-term debt) by loan value within the fossil fuel, steel, pulp and paper, cement, transportation, electronic manufacturing sectors will set SBT in 2023	Set SBT target ratio for relevant position to reach 6.6%	TCFHC commits that 35.0% of its corporate loan portfolio (long-term debt) by loan value within the fossil fuel, steel, pulp and paper, cement, transportation, electronic manufacturing sectors will set SBT by 2027	

4.2 Natural Risk Management

According to the "Global Risks Report 2023" of the World Economic Forum (WEF), "biodiversity loss and ecosystem collapse" is among the Top 5 of the "10 major risks around the world in the coming 10 years". Out of risk-oriented management awareness, the Group is gradually including the nature risk as part of its risk management. The Group applied to become a member of the Task Force on Nature-related Financial Disclosures (TNFD) Forum in 2023 and will continue to disclose its nature-related risk management under the 14 requirements of the TNFD framework in the future.

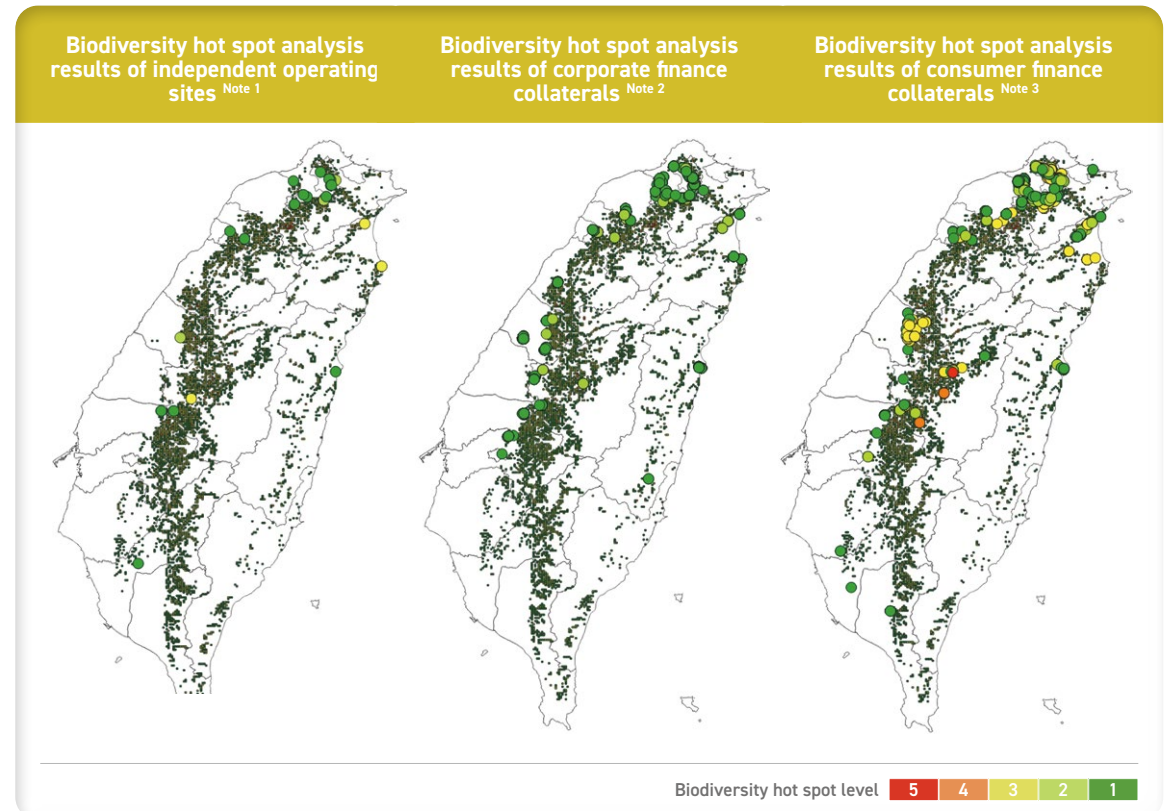
Analysis of Biodiversity Hot Spot Impacts [\(As in Section 5.2 Analysis of Biodiversity Hot Spot Impacts of the 2023 TCFD & TNFD Report\)](#)

The Group takes the following steps in order to evaluate the impacts of operating sites and collaterals on biodiversity:



This analysis takes advantage of the biodiversity hot spot map of the Forestry and Nature Conservation Agency under the Ministry of Agriculture. The map is based on the estimated distribution of 42 species of mammals, 110 species of birds and other species, and is divided into 5 levels. Level 5 is the hottest spot.

An overview of the analysis result shows that most of the Group's operating sites and collaterals are not located in highly hot spots in terms of biodiversity (Level 4 ~ 5). 91.1% of the TCB's branches and areas within 1 km radius of them are not biodiversity hot spots and 90.2% of corporate finance collaterals are not within the hot spot, either. Only 0.1% of consumer finance collaterals are located in Level 4 and 5 diversity hot spots and a majority of them are in low-risk hot spots.



- Note: 1. For users to interpret information in the Sustainability Report, the map only shows the distribution of operating sites/collaterals located in biodiversity hotspots.
 2. For corporate finance collaterals, only those for Top 10,000 mortgage balances (accounting for about 63.6% of overall loan balance of corporate finance collaterals) were analyzed.
 3. For consumer finance collaterals, only those for Top 10,000 mortgage balances (accounting for about 26% of overall loan balance of consumer finance collaterals) were analyzed.

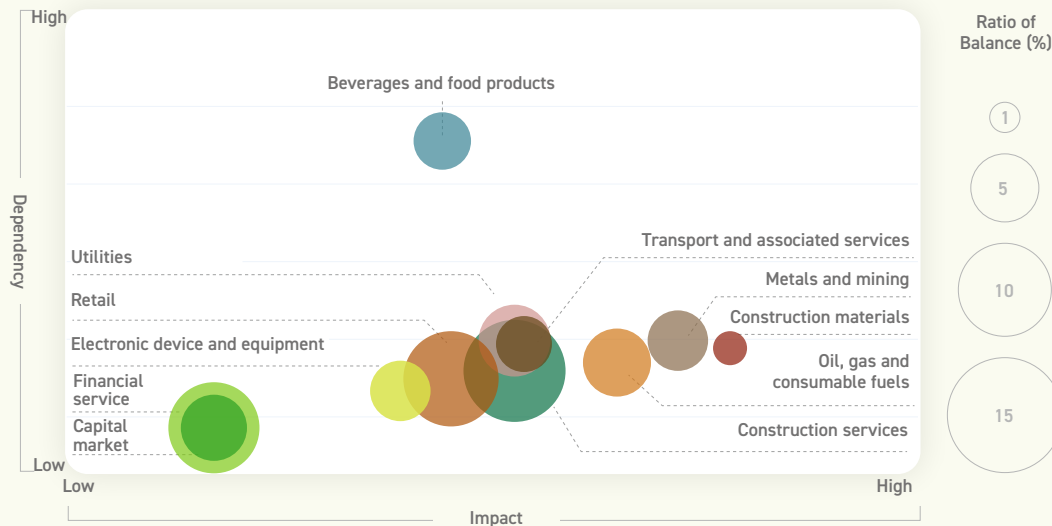
Natural Risk Management for Portfolio Activities (As in Section 5.3 Natural Risk Management for Portfolio Activities of the 2023 TCFD & TNFD Report)

In order to properly evaluate the dependencies and impacts of the investment and financing portfolio on natural resources, the Group follows TNFD suggestions by applying the "ENCORE" tool to the analysis and evaluation.

Investment and financing portfolio are divided by the industry and weighted according to the dependencies and impacts of respective industries in order to quantify the risk of exposure for the natural capital such as utilization of land, freshwater resources, marine environment, mining, and biodiversity while identify high-risk prioritized industries that require advanced rating and countermeasures.

Analysis results show that 43.16% of the Group's investment and financing positions belong to highly nature-sensitive industries (16 sensitive industries that are highly dependent on or impacting natural capital according to TNFD suggestions). The food industry, in particular, relies the most on natural capital, accounting for about 3.06% of the overall investment and financing balance while the construction materials industry and the metals and mining industry have a greater impact on natural capital, accounting for 1.11% and 5.99% of the total investment and financing balance, respectively. In the current investment and financing portfolio, there are no sectors that are extremely dependent on or impacting natural capital.

In the future, the Group will continue to deepen the evaluation of dependence and impacts on natural resources of industries to accordingly perfect its risk identification and management mechanism and to provide more thorough information to refer to upon decision-making.



Note: This figure only presents the analysis results of the top 10 industries in terms of investment and financing balance.

Countermeasure

Strategies	Description
Avoid undertaking high-risk cases	Thresholds for investment and financing cases and divestment years have been set for coal-fired power generation, coal mining, coal trading and unconventional oil and gas and other related industries. The Group has signed the Equator Principles and will continue to prudently assess whether project investment and financing cases involve natural capital and other issues to avoid or prohibit dealings with companies that have an adverse impact on natural capital. In the future, the Group also plans to gradually introduce this process into all business risk assessments process.
Define natural capital risk policy	Continue to plan the inclusion of nature-related risks in the overall risk management framework and define specific risk preferences, risk evaluation, and risk mitigation policies.
Strengthen nature-related due diligence	Before undertaking business, each subsidiary of the Group has considered the risks and opportunities associated with the objects or targets related to climate, forests and water, biodiversity, human rights, etc., and will incorporate the assessment of corporate's natural capital dependence and impacts into the decision-making processes of investment and financing in the future.
Set up natural capital risk limits	In the future, limits over concentration of the natural capital risk will be set reflective of risk preferences in order to control the risk exposure scale in high-risk fields.
Continue to introduce LEAP methodology	Since 2023, the Group has followed suggestions of the TNFD framework by gradually introducing the LEAP methodology. In the future, it will keep an eye on international trends to grasp the Group's natural risks and opportunities.
Reinforce nature-related information disclosure	Continue to follow the requirements of TNFD and other frameworks, strengthen the disclosure of natural capital risk information year by year, and improve transparency.

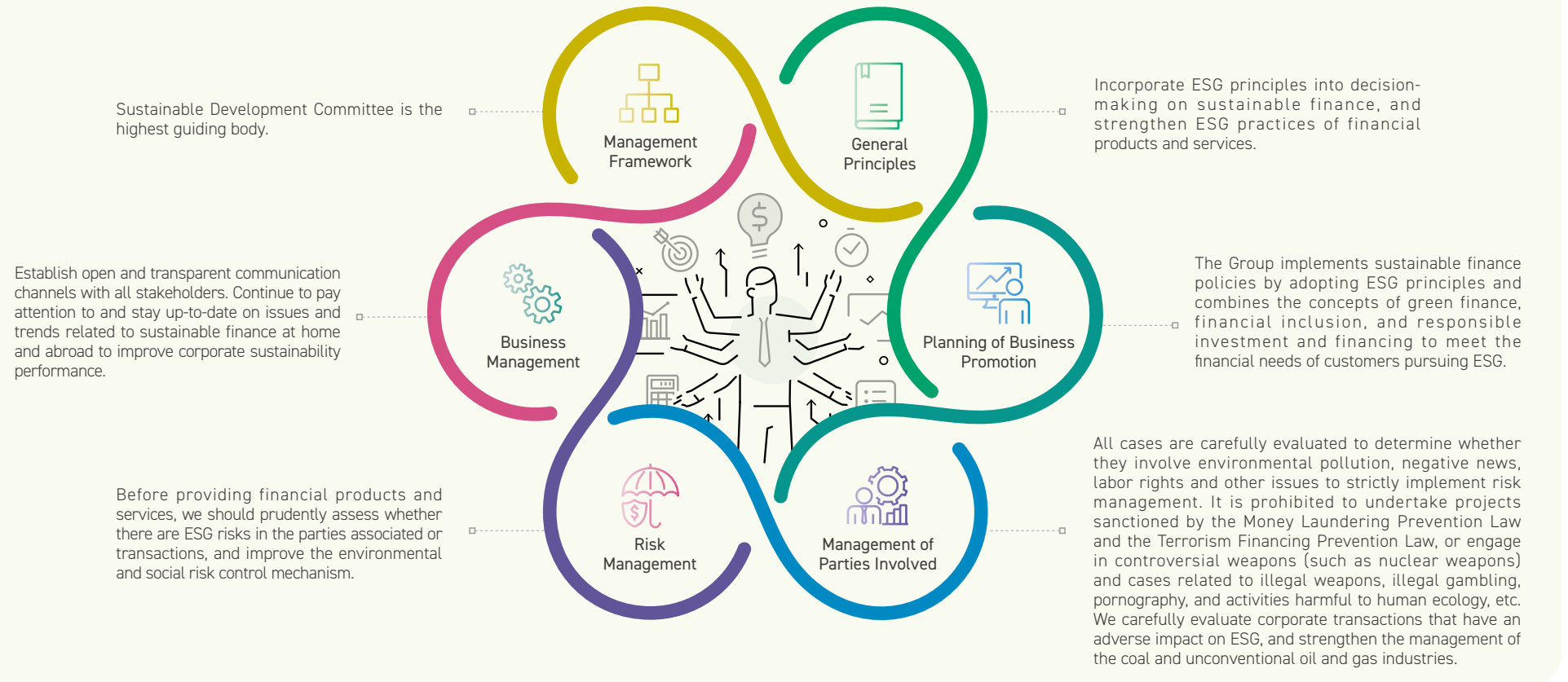
4.3 Sustainable Finance GRI 2-23、2-24

Financial institutions can use the power of investment and financing to guide the transformation of enterprises on the net-zero path. To exercise the core influence in the financial industry, the Group actively integrates international norms to promote sustainable finance, follows the standards or guidelines of the Principles for Responsible Investment (PRI), the Principles for Responsible Banking (PRB), and the Principles of Perpetual Insurance (PSI), and signed the Equator Principles (EPs) at the end of March 2022. In July of the same year, it signed to join the Science-Based Carbon Reduction Target Initiative (SBTi). In December, it completed setting medium- carbon reduction targets and submitted them for SBTi review, and passed the target review in August 2023. Following the mentioned international standards or initiative, the Company has formulated the "Sustainable Financial Policy" and incorporated ESG factors into the development strategies and operating procedures of core businesses such as investment, financing, underwriting, and insurance to achieve the Group's long-term goals of low-carbon transitions for investments and finance.

☐ Sustainable Finance Framework



Sustainable Financial Policy



Guidelines and Performance of Sustainable Finance

Each subsidiary of the Group regards the "Sustainable Financial Policy" as the prime directive. They abide by the international sustainable financial guidelines to formulate and implement relevant regulations for sustainable investment, sustainable financing, and sustainable financial products. For related industries such as coal power, coal mining, coal trading, and unconventional oil and gas, TCFHC formulates the "Investment and Financing Business Standards for Coal Phase-Out and Unconventional Oil and Gas Exploration" and sets investment and financing case thresholds and divestment years (there are currently no coal mining, shale oil and gas and arctic oil and gas extraction industry cases in domestic). TCFHC will discuss with investment and financing customers about their carbon reduction actions or net zero plans, and continuously engages with them on low-carbon transformation.

In order to promote shared sustainable development of the invested company, TCB, TCS, BNP TCB Life and TCSIT signed the "Institutional Investor Due Diligence Governance Code" compliance statement, continued to pay close attention to fulfillment of ESG by the invested company through dialogs with the invested company and participation in its shareholders' meetings, and periodically disclose the due diligence report, annual voting records, and engagement records, proactively fulfilling activism as shareholders.

Sustainable Investment	Assessment	Review	Treatment
	Evaluation of ESG Investment	Incorporate ESG assessment into investment analysis and decision-making, use external databases to check ESG scores or ratings of invested companies in advance, and incorporate capital utilization plans for green-related investment targets into the review process. The invested companies must fulfill environmental protection, corporate integrity and social responsibility (such as prohibit investment in the tobacco industry), implement anti-money laundering and countering the financing of terrorism. FTSE4Good TIP Taiwan ESG Index, MSCI Taiwan Select ESG Sustainability High Yield Top 30 Index, TWSE RA Taiwan Employment Creation 99 Index, TWSE RAFI Taiwan High Compensation 100 Index, and Corporate Governance Index and other constituent stocks are taken into consideration when investing in domestic stocks.	Regularly review ESG performance of invested companies (including stocks, bonds and ESG-related themed funds).
Sustainable Investment	TCB issued green, sustainable, and social bonds and other ESG bonds. As of the end of 2023, TCB has raised a total of NT\$ 8 billion, surpassing other state-owned banks and is the 1 st state-owned bank that has completed the 3 ESG issuance goals. The funds raised from these bonds are fully utilized for loans on green investments and social benefits investment projects.		
	Types of Bonds	Publication Amount	Specific Benefits
	Green Bonds	NT\$1 billion	There were a 96 cases of loan appropriation to support green investment projects, with a total of 24.2683 million kWh of energy generated, which is equivalent to reducing carbon emissions by approximately 12,183 tCO ₂ e.
	Sustainable Development Bonds	NT\$6 billion	A total of 40 loans amounting to NT\$ 717 million were allocated for the green investment plan, and a total of 1,020 loans amounting to NT\$ 4.15 billion were allocated for the social benefit investment plan. A total of 494 people and 548 companies benefited, with a cumulative power generation of 145.53 million kWh, approximately reducing carbon emissions by 72,968 tCO ₂ e.
	Social Responsibility Bonds	NT\$1 billion	Provided loans to support social benefit investment projects to help 137 families who did not own their own houses to purchase houses, reducing the burden of first-time buyers.
ESG Bonds Publication	<p>Note 1. As of the end of 2023, the total balance of social responsibility bonds and sustainable development bonds issued by TCB accounted for 11.65% of the balance of financial bonds issued.</p> <p>Note 2. The amount of newly issued sustainable development bonds by TCB in 2023 accounted for 46.76% of the amount of financial bonds issued in that year.</p>		

Sustainable Deposit	To help raise funds to be devoted to green or public interest investment projects, TCB followed the Green Bond Principles 2021, Social Bond Principles 2021, and Sustainability Bond Guidelines 2021 of the International Capital Market Association (ICMA) and prepared the "Green and Sustainable Time Deposit Plan", with the "Green and Sustainable Time Deposit" project introduced in January 2023. The raised funds will be utilized primarily in green investment plans featuring renewable energy and energy technology developments, energy use efficiency enhancement and energy conservation, waste recycling/treatment or re-utilization and public interest investment plans featuring affordable housing, creation of job opportunities, and alleviation or avoidance of unemployment as a result of socioeconomic crises. As of the end of 2023, the total contract amount has reached NT\$2.71 billion, and has been evaluated by an evaluation agency, and a green and sustainable time deposit fund utilization assurance report has been issued.
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Sustainable Financing

General Financing

ESG Loan Reviews

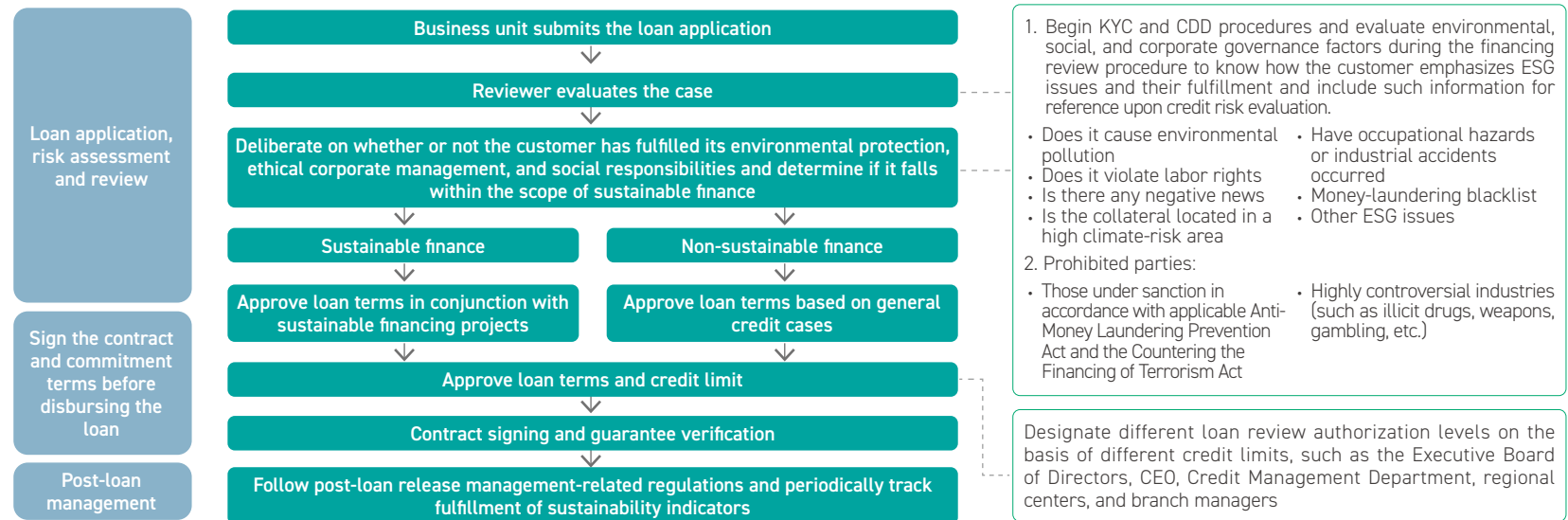
TCB follows the "Sustainable Financial Policy" of TCFHC and avoids undertaking projects whose main scope of operation has significant adverse impacts on the environment or sustainable development of society, and prohibits business with designees under sanction by the competent authority in accordance with the Anti-Money Laundering Prevention Act and the Countering the Financing of Terrorism Act and the manufacturing or transaction of illicit drugs, controversial weapons (such as nuclear weapons), manufacturing or selling of illegal weapons and ammunition, illegal gambling (including underground and online), pornography, and fishing with a gillnet that is 2.5 kilometers or longer and commercial logging in virgin tropical rain forests, among other activities that are harmful to humans and the ecology.

TCB also formulates "Instructions on Managing Sustainable Financing" to formulate issues of concern, lists ESG issues such as human rights and climate change, and standardizes the process of understanding customers and customer due diligence. When conducting customer due diligence, it is necessary to evaluate the performance of the counterparties on ESG issues of concern. Therefore, when granting credit during the review process, ESG risk management is incorporated into the KYC process of credit business such as corporate finance, consumer finance, and small and medium-sized enterprises (including sole proprietorships and partnerships). In addition to reviewing the prevention of money laundering and combating financial terrorism, TCB also examines whether the credit recipients are responsible for the environment protection, integrity management and social responsibility. ESG management includes whether the customer has been listed as a pollution source and punished, violated labor laws, suffered major occupational disasters or work safety accidents in the past year and to be made a note of it, and check whether there are ESG negative events like arrears of wage advance funds or labor retirement reserves and continue to engage clients with ESG risks and opportunities. If significant ESG risks are found, further communication and monitoring improvements are needed. If there is no real improvement, TCB should evaluate whether to continue trading or not.

In order to increase the support for the development of green power industries, TCB has formulated "Guidelines for Processing the Loans to Renewable Energy Generator Facility", "Guidelines for Processing Loans on Solar Photovoltaic Power Generators Facility", and "Guidelines for Processing Loans on Biomass Energy Generator Facility". The "Six Core Strategic Industries Loan Project" has also been listed as one of the key business promotions to support transitions of green power industries and to help financing the installation or purchase of machinery equipment, capital expenditure, and working capital. In order to support the government's industrial transformation policy, the "Ministry of Economic Affairs Project of Giving Loans to Small-to-Medium-Sized Enterprises for Assisting in Low-carbon Smart Transformation and Development and Including Factories under Control and Optimizing Infrastructures of Specific Factories" was defined. As of the end of December 2023, the balance of loans already released came to NT\$ 6.79 billion.

In addition, in order to guide customers to implement ESG actions, TCB has formulated a "Sustainability-Linked Loan Projects" and actively negotiated compliance conditions with enterprises. If the enterprise meets the conditions for ESG sustainability-linked loans, the original approved interest rate can be discounted, and the sustainability indicator maintenance status will be reviewed every year. If it does not meet the criteria for the discount, the interest rate discount for the project will cease to be applicable from now on. As of the end of 2023, the balance of loans undertaken was NT\$ 21.78 billion, accounting for 1.28% of the total credit granted by corporate loans.

In the collateral review, TCB includes soil liquefaction and flooding risks in the assessment scope in order to implement ESG in various financial products and services.



General Financing

		Unit: NT\$ billion			
		Item	2022	2023	Description of Products
Corporate Financing	Green loans, social loans, sustainable loans		23.263	18.402	ESG Machinery and Equipment Upgrading Loan Projects and green power and renewable energy industries among the six core strategic industries that assist the development of independent green energy industries, Preferential Loan Projects for Long-Term Care Institutions, Loan Projects for Improving Public Safety Facilities and Equipment for Long-Term Care Institutions which are related to ESG Industrial and other credit cases are the basis for data collection.
	Sustainability-linked loans		0.036	0.32	Inspection indicators related to sustainable development are added in the loan terms. If the enterprise meets the inspection standards, it will be able to obtain a reduction in the interest rate.
	Total sustainable value		23.299	18.722	
	Total value of corporate lending		53.809	43.063	
	Percentage of total sustainable value over total value		43.30%	43.48%	
	Note: 1. The data in the above table are the new cases in each year. 2. In 2023, the ratios of green credit and perpetual linked credit amount submitted by TCB to the Joint Credit Information Center to the total balance of corporate loans were 5.25% and 1.74% respectively. 3. As of the end of 2023, TCB handled a loan balance of NT\$ 655.039 billion for the "Six Core Strategic Industries Project Loans".				
Performance	SMEs	Unit: NT\$ billion			
		Item	2022	2023	Description of Products
		Sustainable SME loans	11.833	16.281	ESG Machinery and Equipment Upgrading Loan Projects and green power and renewable energy industries among the six core strategic industries that assist the development of independent green energy industries, which are related to ESG Industrial and meet the definition of SMEs are the basis for data collection.
		Total value of SME lending	31.422	35.412	
Percentage of total sustainable value over total value	37.66%	45.98%			
Note: 1. The data in the above table are the new cases in each year. 2. In 2023, the ratio of TCB's new loan balance to small and medium-sized enterprises to the new loan balance of private enterprises will be 10.01%. 3. In 2023, the year-end balance of TCB's loans to SMEs accounted for 48.93% of the total balance of corporate loans.					
Consumer Financing	Unit: NT\$ billion				
	Item	2022	2023	Description of Products	
	Sustainable loans and mortgages ^{Note 1, 2}	2.715	3.398	Data collection is based on personal consumption loans that have obtained the Green Building Label and have ESG benefits.	
	Total value of personal and mortgage lending ^{Note 3}	132.726	157.766		
Percentage of total sustainable value over total value	2.05%	2.15%			
Note: 1. The data in the above table are the new cases in each year. 2. The amount of green consumption loans of TCB is NT\$2.867 billion at the end of 2023. 3. Total value of personal and mortgage only includes house purchase loans and consumer loans in the mortgage business. 4. The ratio of green loan submitted by TCB to the Joint Credit Information Center to the total outstanding balance of personal finance is 0.3%.					

Project Financing

General Project Financing

For project financing cases, TCB follows the "Rules for Project Financing". In addition to reviewing regulations for general credit investigation and credit when undertaking project financing, TCB should also conduct due diligence and should also assess the feasibility and risk of the project plans' finance, laws, insurance, technology and tax. External experts, lawyers, accountants, professional consultants, or third-party testing and certification organizations should be commissioned to handle and issue reports when necessary.

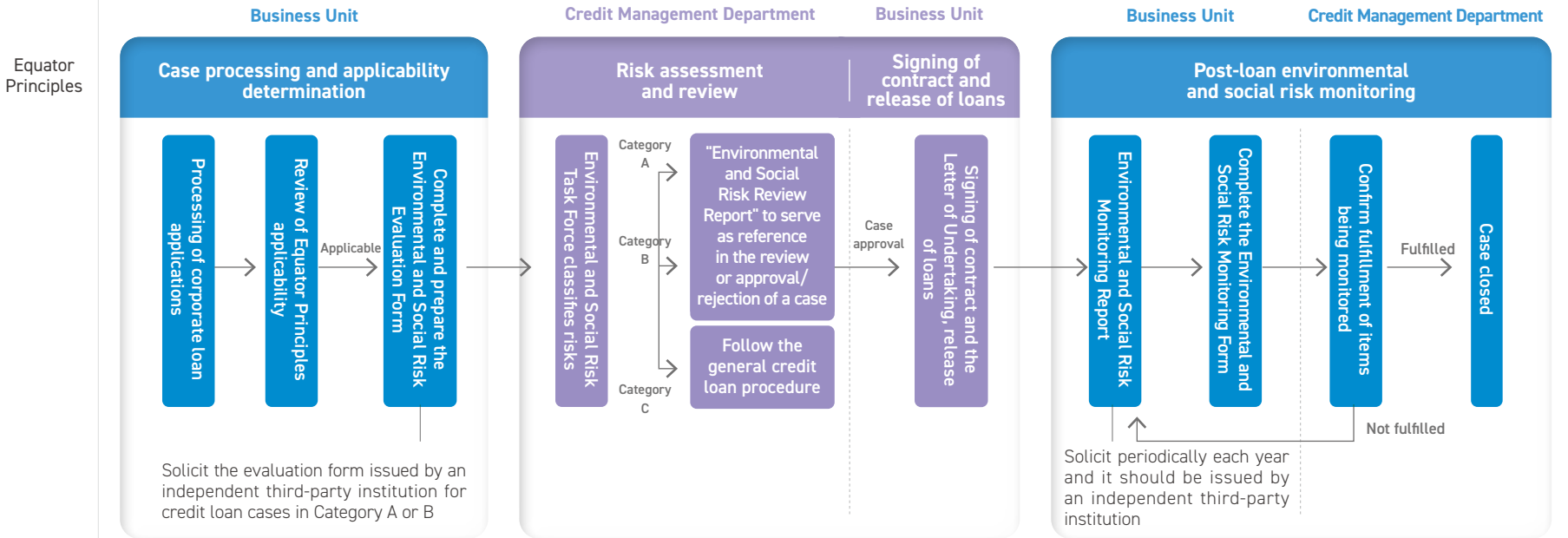
The Company signed the "Equator Principles" in March 2022 and formulated the "Guidelines for Equator Principles" by following the international standards of the Equator Principles Association and referred to Equator Principles 4.0 Guidelines of the Bankers Association of the Republic of China Members' Credit Guidelines. The environmental protection, ethical management, social responsibilities, biodiversity, climate change and other factors are referred to when reviewing the creditors' financing cases. If creditors violate the spirit of the "Equator Principles" and have no reasonable reasons, they are ineligible for new loans or to increase the loan amount, and their amount or the period for the original loan will be reduced, or part or the whole credit amount will be deemed as matured. These conditions are clearly listed in the credit agreement to strengthen the monitoring of creditors' responsibilities and to implement responsible finance.

Before accepting all corporate credit cases, business units will make applicability judgments in accordance with the "Guidelines for Equator Principles". For credit cases that meet the applicable scope, the post-lending management and supervision process will continue to confirm whether the cases are in compliance with the Equator Principles.

Risk classification is reviewed by the "Environmental and Social Risk Task Force". This task force is established based on the assigned missions, and the members are from TCB's Credit Management Department, Corporate Banking Department, Credit Analysis and Research Department, International Banking Department, and Risk Management Department. In addition, employees with relevant environmental engineering backgrounds may also join to confirm the applicable environmental and social risk level. If the case belongs to Category A or B, it will be processed according to the Equator Principles. If the case belongs to category C, it will be processed according to the general credit loan process. Furthermore, for cases belong to Category A or B, post-loan environmental and social risk monitoring shall take place periodically once a year to ensure that the loan applicant does follow the terms provided in the Equator Principles Letter of Undertaking for management.



Equator Principles Assessment and Contracting Process



Performance

TCB actively promotes Equator Principles financing cases, and in 2023 a total of 6 project financing cases were approved in accordance with the Equator Principles. As of the end of 2023, 7 projects have been undertaken, excerpts of 3 cases are as follows. 2 of which are for the construction of natural gas plants, with a total loan amount of US\$35 million. The third-party verification unit has inspected projects such as pollution prevention and control, biodiversity and local residents, and evaluated the project does not involve the development of important wetlands and its pollution prevention and control technology has reached the best available local technical requirements. It is also committed to the investment and development of local communities. The environmental and social risk levels have been assessed as Category A and B. TCB is a participant in the syndicated loan while its lead arranger is a member of the Equator Principles Association. TCB conducts post-lending environmental and social risk monitoring on a regular basis every year based on the relevant monitoring data provided by the lead arranger of the syndicated loan. The 3rd case is the construction of an industry-university cooperation center on a university campus, with a scale of NT\$2.39 billion and a loan amount of NT\$1.39 billion. A comprehensive assessment has not found any impact on the development site, environment and society. According to the environmental and social risk assessment form, it is rated as Category C.

📁 **2023 Project Financing Cases Reviewed by Equator Principles**

Case	Project A	Project B	Project C		
Industry	Natural gas supply	Natural gas supply	Real estate development		
Description	Syndicated loan, led by Mizuho Bank, with the funds for building a natural gas plant.	Syndicated loan, led by MUFG Bank, with the funds for building a natural gas plant.	Syndicated loan, led by TCB, with the funds for building an industry-academia collaboration center.		
Level of Risk	Category A	Category B	Category C		
Region	US (designated country)	US (designated country)	Taiwan (non-designated country)		
Environmental and Social Risk	<ul style="list-style-type: none"> Environmental and social risk assessment and management Review process and approval Creditors' management plan Contractor management Labor management 	<ul style="list-style-type: none"> Opinions against the project Related facilities Biodiversity Impacts on human rights Climate change Venue criteria Floods 	<ul style="list-style-type: none"> Environmental and social risk assessment and management Biodiversity Aboriginals and cultural heritage Land acquisition and involuntary relocation 	<ul style="list-style-type: none"> GHG emissions Management plan covers safe working conditions and human rights policy 	<ul style="list-style-type: none"> Resources efficiency and pollution Prevention Labor and job opportunities Community health, safety, and public order
Reviewed by Independent Third Party	Environmental and social risks are reviewed according to the assessment report issued by the independent third-party.		The risk level is Category C in this case; there is no need to obtain the assessment report from an independent third-party.		

As of the end of 2023, TCB had participated in a total of 4 offshore wind power financing projects, issuing a total of NT\$3.854 billion in loans. Total installed capacity of approved renewable energy financing projects reached 2,855 MW. The green power generated by renewable energy devices will replace the consumption of traditional electricity and reduce the environmental impacts.

EP or ESG Cases	Quantity/Percentage
Number of projects reviewed through EP or ESG framework	6
Number of projects reviewed as percentage of total projects/deals	100%
Number of projects having reached financial close	6
Number of projects declined	0
Reasons for refusing the projects	None

Sustainable Financial Products and Services

ESG Risk Assessment (including AML, PEPs, KYC)

For customers who purchase sustainable financial products and services, such as credit card applicants and trust product investors, TCB implements KYC procedures such as AML, PEPs and negative news review. On the other hand, the risk attributes of trust product investors are divided into 3 categories, which are conservative (low risk tolerance level), stable (medium risk tolerance level), and active (high risk tolerance level). In order to fully understand the customer, according to the KYC form and the Risk Tolerance Test Form filled out by the customer, comprehensively assess and classify the customer's identity, financial background, income and source of funds, risk preference, past investment experience, and entrustment purpose, age and needs, so as to ensure the suitability of investment products.

TCSIT also implements KYC procedures such as AML, PEPs and negative news review, and follows the principles for the review and supervision of ESG fund information disclosure matters released by the FSC when issuing mutual funds.



Performance

Sustainable Funds

Unit: NT\$ billion

Item	Amount	Total Asset Size	Description of Products
Domestic ESG Funds	4.057	234.062	Compliant with the FCS's "Review and Supervisory Principles for Disclosure Items for Issuing of ESG Funds"
Offshore ESG Funds	52.365		Compliant with SFDR Article 8 & Article 9
Total	56.422		
Percentage to Total Asset Size	24.11%		

Consumer Financing

Unit: NT\$ billion

Item	Debit Amount	Total Debit Amount	Description of Products
Social Welfare Credit Cards	1.692	49.929	Lugang Mazu Temple Card, i-Sports Card, Care Card, Huizhong Foundation Card, and Heart Disease Children's Foundation Card
Green Environmentally Friendly Credit Cards	3.913		LOHAS Card, Kanahei Animals Co-Branded Easy Card
Total	5.605		
Percentage to Total Debit	11.23%		

Engagement with Corporate Financing Customers

TCB implements sustainable finance and has actively engaged with its obligors and has set up "Sustainable Linked Loan Projects". The terms and conditions of the loans are linked to sustainable development indicators, and TCB uses a proactive profit-sharing model to encourage enterprises to pay attention to sustainable development.

In order to support the government's energy transformation and industrial transformation policies, assist enterprises in obtaining funds, and expand sustainable financial business, TCB has formulated "Incentive Measures for Handling ESG Loan Business" for ranking Account Officers with excellent performance in promoting ESG loan business in business units. The incentive measures are to rank loan approval amount during the evaluation period, and give the top 50 AOs incentive bonus of NT\$ 5,000 individually. The ESG loan business includes energy storage, energy-saving equipment, sustainable loans and other loan businesses related to climate issues.

Percentage of Top 10 Industries in ESG Engagement of Corporate Financing

	Industry	Percentage (%)
1	Financial leasing	11.54%
2	Wholesale of computers, computer peripheral equipment and software	8.52%
3	Liquid crystal panel and components manufacturing	7.53%
4	Automotive wholesale	6.23%
5	Manufacturing of raw chemical materials	6.09%

	Industry	Percentage (%)
6	Manufacturing of raw plastic materials	4.39%
7	Manufacturing of plastic sheets, boards, and pipe/tubes	4.39%
8	Private financing	3.91%
9	Real estate rental/sale	3.43%
10	Smelting and refining of iron and steel	2.99%

5,000 ESG SMEs Engaged in Carbon Reduction Under TCB's Guidance

After more than a year of planning and active engagement, TCB cooperated with Dun & Bradstreet, the world's largest business database company in the US, and successfully engaged with 5,000 SMEs. In December 2023, it invited the CommonWealth Magazine and the Taiwan Carbon Exchange to witness the "Sustainable Cooperation of SMEs - the Century Island Wedding of TCB and ESG" held and became the 1st financial institution in Taiwan to complete the carbon reduction engagement of 5,000 SMEs. The data analysis performed by Dun & Bradstreet also revealed that "70% of the participating SMEs' ESG performance is better than the global ESG average of their industry".

Although ESG is currently the hottest green business opportunity, it may also bring about a transition crisis. Export-oriented SMEs can no longer avoid the impacts of international carbon tariffs and their supporting measures. Considering the lack of clear legal regulations and lack of capital for SMEs, TCB, as the strongest support for SMEs, spontaneously coordinates resources from all parties and assists them in responding early to reduce carbon reduction risks and shorten the throes through customized solutions.



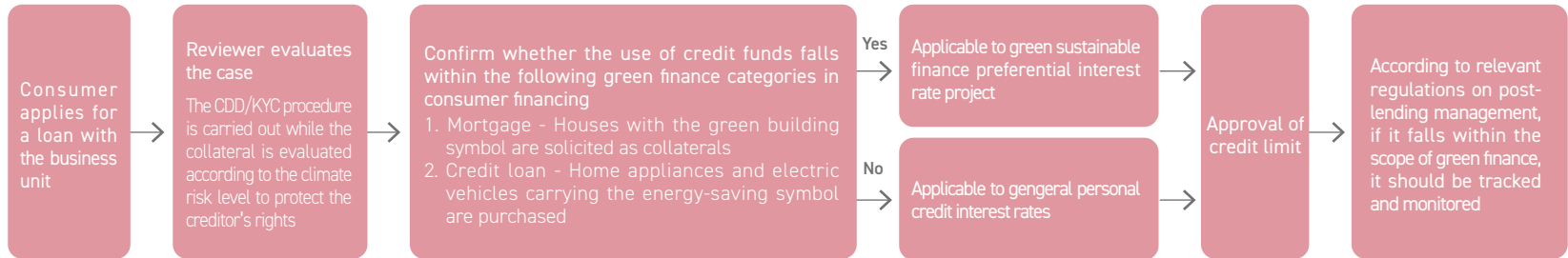
Engagement

Engagement with Consumer Financing Customer

TCB actively discusses ESG risks and opportunities with obligors. Through social media such as Facebook and its official website, TCB promotes ESG green consumptions using related promotional materials, such as using promotional messages like "prioritize in purchasing green buildings, conserve energy effectively, and realize a green lifestyle" for mortgages services. Customer engagement is reinforced in terms of the credit loan business by "replacing old with new and emphasizing environmental protection as a joint effort to safeguard a sustainable and beautiful homeland". Those who meet the conditions for ESG green consumer loans will enjoy preferential loan interest rates to encourage customers to engage in green consumption.

Consumer Financing

Green Credit Loan Process of Consumer Financing



Collaboration between Finance and Technology

World Economic Forum's "Global Risks Report 2024" shows that half of the Top 10 risks in the coming 10 years will have to do with the climate and the environment. TCFHC adheres to exerting its core financial influence, taking the lead in leading other industries and customers to jointly deepen the emphasis and practice of ESG, and contribute to coexistence and mutual prosperity among finance, enterprises, and the social environment making the best of its core financial influence.

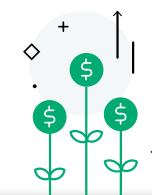
Since 2021, TCFHC has joined the "Finance x ESG Research Networking Platform" co-established by the Taipei Foundation of Finance, the British Standards Institution (BSI), and Google Taiwan. At present, more than 20 major financial holding, securities and insurance companies in Taiwan have joined the platform. Through regular "industry exchange and sharing forums", representative industry, government, and academic leaders are invited to discuss and provide suggestions to promote the sustainable development of Taiwan's financial x ESG ecosystem.

In February 2023, TCFHC served as the rotating Chair and discussed how the financial industry can bring solutions to the national security and social crisis due to aging and low birth rate. The Company also invited a professor from National Chung Hsing University to discuss "nature-based low-carbon solutions" and explore how enterprises can use natural carbon sinks to move towards net-zero and whether carbon sinks can be exchanged for carbon credits and other issues, expecting that domestic financial institutions will accelerate their integration with international standards and drive a sustainable financial ecosystem with a positive cycle.



Extend Financial Influence to Support Sustainable Development in the Society

The 2023 SDG Asia took place between July 21 and July 23 at the Taipei World Trade Center. TCFHC, with "Environment, Sustainability, Finance" as its theme, included the Green Action Zone, Green Financing Zone, Inclusive Financing Zone, and Social Inclusion Zone at its booth. There were simple and interesting QAs during the event so that visitors could gain basic common sense about sustainability and the efforts made by TCFHC in sustainability while playing games. They could also enjoy the AR interactive games featuring energy conservation and carbon reduction. Successful players were rewarded with fine gifts. In addition, the exhibition area also displayed TCFHC achievements in carbon reduction management, energy resource management, green buildings and waste management in recent years, actively reducing the impact on the environment during operations. Through close communication and sharing, TCFHC invited the public to contribute to environmental sustainability together.



CH5

Customer Commitment

Stakeholders of Concern

- + Employees
- + Shareholders/Investors
- + Customers
- + Governments and Competent Authorities
- + Media
- + Community

Corresponding Material Topics

- + Digital Finance
- + Financial Inclusion
- + Protection of Customer Rights

SDGs



5.1 Protection of Customer Rights GRI 2-23、2-24、417-1、417-2、417-3

Principles for Treating Customers Fairly

To effectively protect the rights and interests of financial consumers, TCB established the "Consumer Protection and Fair Customer Treatment Promotion Committee" in 2019, with CEO who serves as a convener. The committee is composed of an executive vice president, an E.V.P & Chief Compliance Officer, and 22 supervisors from the business management units of the headquarters as the committee members. They are responsible for formulating the policies and strategies concerning principles of treating customers fairly, handling significant consumer disputes, and reviewing the progress of promoting fair customer treatment and the evaluation results. They also periodically compile customer complaints and Financial Ombudsman Institution (FOI) cases as well as reflections upon and improvements made regarding respective cases and submit them to the Board of Directors.

TCB, TCS, BNP TCB Life, and TCB all have established policies and implementation regulations relevant to the Principles for Treating Customers Fairly and added friendly financial service regulations and coordinated the implementations of relevant departments. A dedicated unit centrally manages implementation and compiles how they are enforced before reporting to the Board of Directors so that colleagues honor the principles of being honest and truthful in respective aspects, namely, distribution of products and services, advertising and soliciting, protection of the right to complain, and professionalism of salespersons and abide by the "Ethical Corporate Management Best Practice Principles", "Financial Consumer Protection Act", and "Financial Service Industry Principles for Treating Customers Fairly". We also require our financial consultants to sign the "Code of Behavior for Wealth Management Employees" before on board or performing business to ensure the rights and interests of customers, and conduct annual credit audits on the financial consultants.

In order to implement the principle of friendly financial services, TCB regularly reviews the reasons for the occurrence and subsequent handling methods of the cases involving messages left by seniors and disabled customers. TCB continues to optimize the operating system for messages and the webpage of the website's mailbox for the public to ensure its products and services meet the needs of customers and protect financial consumers' rights. The "Advance Workshop on the Principles for Treating Customers Fairly" was held in September 2023. Members of the FOI were invited to share and discuss financial laws and regulations and cases with high-ranking managers such as directors, the vice presidents, the E.V.P. & Chief Compliance Officer, the E.V.P. & General Auditor, and unit heads, such as "Insights of Reviewed Cases", "Financially-Friendly Services", and "Convention on the Rights of Persons with Disabilities" (CRPD) in order to strengthen and consolidate the protection of customer rights.

The subsidiaries also regularly organize employee education and training and internal evaluations, or initiate secret customer testing to achieve the purpose of understanding the implementation of the Principles for Treating Customers Fairly and formulating improvement measures. In 2023, there are no major deficiencies in the internal assessment results and no significant customer complaint cases above level B.

Level	A	B	C	D
Impact of Customer Complaints	<ol style="list-style-type: none"> Those that seriously affect the company's reputation or require compensation. Customer complaints are specific and seriously violate operating regulations. 	<ol style="list-style-type: none"> Customers' rights and interests may or have been damaged. Those who clearly violate work regulations. 	<ol style="list-style-type: none"> Poor service. Those with minor work errors. 	<ol style="list-style-type: none"> No specific content or no name or address. The name and other information provided are forged or untrue. Those who have already responded to the same matter but continuously complain still. Those who make unreasonable criticisms that have nothing to do with business.

☐ Training of Principles for Treating Customers Fairly

Company	Number of Employees Expected to Participate (people)	Number of Employees Completed Trainings (people)	Completion Rate (%)
TCB	8,489	8,489	100
TCS	414	414	
TCBF	125	125	
BNP TCB Life	253	253	
TCSIT	46	46	
Total	9,327	9,327	

| Prevent Financial Fraud

In light of the rampage of fraud syndicates and their constantly changing approaches over the past few years, for the sake of protecting people's properties, TCB defined the "Precautions for Suspicious Illegitimate or Obvious Abnormal Transactions of Savings Accounts" and the requirements for "Caring Questions for Customers Seeking Counter Service", that is, asking customers caring questions while they make deposits, withdrawals, or remittances at the counter and notifying the police to provide assistance if necessary and protect them against frauds. Given the rampage of novel frauds and the younger victims over the past few years, when a natural person aged 55 and above comes to the counter for depositing, withdrawing, remittance, time deposit termination (including early termination) or sell-back of gold in gold passbook, the system will have a pop-up window to remind clerks of asking further caring questions. In addition, when a natural person withdraws from his/her NTD savings account an amount exceeding 1 million, the SMS will send out notice in real time to help protect the rights of the customer. Moreover, for reinforced deterring effects, besides education and training provided to clerks on anti-fraud caring questions, cases communicated by law enforcement are utilized and made known to the public on FACEBOOK, official website, and the multi-media system in the hall of operating sites of TCB in order to boost people's awareness against frauds.

TCB Protects Against Frauds

	2020	2021	2022	2023
Cases	41	102	269	328
Amount (NT\$ million)	19.1843	55.5987	164.3372	280.1700

From July 18 to 20, 2023, TCB held 3 sessions of the "Strengthen On-the-counter Care and Questioning to Help Prevent Fraud Courses" in the northern, central, and southern regions, respectively. Police officers from the Criminal Investigation Bureau were invited to share key points in the prevention against frauds while staffs at branches shared their experience and accomplishments in the prevention against frauds, with a total of 500 people attended. On the other hand, financial fraud disputes that have occurred over the past few years are included in the existing deposit and exchange business class to help boost awareness against frauds among first-line deposit and exchange colleagues. 4 sessions were held in 2023, with up to 200 participants in total.

Between March and December 2023, TCB held a total of 14 educational training sessions on financial fraud disputes over the past few years and anti-fraud awareness and also proactively took part in FSC campaign of "Communicating Financial Knowledge to Campuses and Communities" by having professional lecturers from inside TCB to visit other places and communicate financial knowledge and empower the general public in identifying frauds by sharing practical financial experience. The audience covered schools, communities, senior people, people with disabilities, national armies, correctional institutions, and social welfare groups, etc. 56 events were held in total throughout 2023, with a headcount of around 3,500 participants.

In order to inspire colleagues and protect the general public against frauds as well as build a friendly and caring financial service environment, TCB has established reward incentives for staffs. Reflective of the amount involved, money or merits will be available as rewards for the specific clerk. Throughout 2023, a total of 328 frauds were intercepted, amounting to about NT\$280 million. 102 clerks were awarded awards, and a bonus of NT\$678 thousand was issued.

Mr. Zhang showed up at TCB with a time deposit certificate of NT\$1 million and asked for termination. He appeared to be absent-minded and looked nervous while talking to the clerk at the counter.

The clerk checked his profile and knew that he was old and was originally a farmer before he retired many years ago. He is living a simple and plain life now. The time deposit certificate started many years ago, whose interest is one of the major sources to support his daily expenses. The clerk evaluated and determined that Mr. Zhang should have no demand for large expenses and hence asked him what was the purpose of the withdrawal. Mr. Zhang paused for a moment and said in a somewhat uneasy tone that he was buying a new home for his son. The clerk went further to ask for the name of his son, where his son lives now, and the phone number of his son. The old man did not answer any of these questions. The clerk obviously felt that the transaction was somewhat abnormal and hence asked Mr. Zhang to think about it and tell truthfully what the funds were meant for in order to have them processed quickly. After a while, Mr. Zhang said again that he got the purpose of the funds wrong and that they were meant to be given to his grandson, and he kept urging the clerk to process them quickly. Now, the clerk believed that Mr. Zhang was likely subject to a fraud and sent for the police in order to protect the customer against damage. Owing to the timely care from the clerk, a fraud was successfully blocked and Mr. Zhang secured his pension.



Maintenance of Customer Relations

To improve the quality of customer services, TCB, TCS, and BNP TCB Life engages with the consumers every year, listen attentively and understand their opinions on the financial products and services. TCFHC Group has set up smooth communications and appealing channels, including hotline and email. As soon as the Group receives an appealing case, the case will be registered and handled through customer complaint operational procedure. The entire processing of any case is handled based on "Personal Information Protection Act" for protecting customer's privacy. The process of the handling and the resulted improvement measures would then be reported to CEO to ensure the refinement of customer service. In 2023, the total customer complaint cases that TCFHC Group received were 292, TCB has a total of 198 Cases are rated as Level C, all of which were dealt and closed.

Customer Satisfaction Rate

Customer Satisfaction Rate (%)
Data Coverage Rate (% of Revenue)



Procedures of Product Review

All of the financial products or services introduced by the Group, including design and planning, promotion, marketing, fulfillment of contract requirements, service consultation, handling of customer complaints, and financial consumption disputes, take into consideration the needs of customers in order to have customers treated fairly and reasonably. Besides compliance with the Financial Consumer Protection Act and the regulatory requirements defined for the specific type of business, internal reviews are required to ensure absence of improper contents, untruthful statements, and other conditions that are misleading to consumers or violating applicable laws and self-regulatory rules associated with the products. If the said products require approval from competent authorities before they are made available for sale, they shall still be adequately examined for appropriateness reflective of the actual sales of financial products, feedback from consumers, and applicable laws. Before the Group enters into a contract to provide financial products or services with customers, it adheres to the principles of fairness, reasonableness, equality, reciprocity and good faith, fully explains the important contents of the financial products, services and contracts, and fully discloses risks.

Product Audit Meetings in 2023

	Audit Working Group Meeting	Number of Products Reviewed
TCB	26 times	<ul style="list-style-type: none"> 68 domestic products 163 overseas products
BNP TCB Life	13 times	<ul style="list-style-type: none"> 22 new products that have been reviewed and approved/recorded by competent authorities 162 products that need amendment and partial changes
TCSIT	12 times	<ul style="list-style-type: none"> Reviewed 15 products of various types (capital guaranteed, multi-asset, index, bond, portfolio and private equity, etc.)
TCS	5 times ^{Note}	<ul style="list-style-type: none"> Added 57 new regular fixed-amount trading targets (reviewed 56 underlying ETF products, and 1 stock exempt from review)

Note: 4 meetings were held, with 1 product review was replaced by written communication.

5.2 Digital Finance

Under constantly-growing trend of digital economy, financial products are getting increasingly diverse and complex. Meanwhile, it attracts Internet entrepreneurs and technology companies to get involved in digital finance with opportunities and challenges. The Group values user experience-oriented design. In order to come up with more friendly financial products, to boost service efficiency, accessibility, usefulness, and quality, and to build professional financial service transcending time and venue restrictions, the Group utilizes digital technology to combine with business innovation to help customers keep track of account activities and where their funds go for maximized efficacy in digital application of financial services.

Innovative Digital Financial Products and Services

The Group has been actively promoting innovative digital finance. Our efforts include optimizing customer experience through data driven decisions and using big data analysis, robotic process automation (RPA), customer feedback information and AI technology to link automatic procedures. Our efforts aimed to provide comprehensive digital financial services and make financial products and services more approachable in the real life.

The Achievements of Digital Financial Service Promotion in 2023

TCB	Electronic channel	The total transaction volume through e-channels increased by 5%.	<ul style="list-style-type: none"> Achievement rate was 104.41%.
	Mobile banking and mobile payment	New features: Video-based verification service/ Push OTP service/ Enhanced device binding/ Financial FIDO status verification in digital deposit account opening process/ TCB E Pay-bound multiple bank accounts/ Transfer of small deposits to lump sum savings deposits/ Policy information inquiry/ Additional modified new generation of online banking branch system on the National Police Agency's financial information review and joint prevention e-reporting platform/Inspected and adjusted the data download function / Adjusted online pre-defined inward transfer to go with the Banks Association's measure to advance in fraud prevention and adjusted features of the "pre-defined inward transfer account gray list reporting platform" of Financial Information Service Co., Ltd.	<ul style="list-style-type: none"> The total number of mobile banking account reached 1.81 million.
	Online application for personal mortgages and small amounts of personal credit loans	Additional features were added to the services provided for existing customers with Internet banking, such as uploading missing supporting documents online, checking progress of cases online, and online guarantee verification to correct the inconvenience of traveling to and from the counter for cross collateral.	<ul style="list-style-type: none"> 27,415 applications for mortgage and credit loans were received online.
	Online application of mortgage and credit loans for non-present online banking customers	"Information on borrower's non-digital deposit account in other banks" ID verification mechanism available for users who are not TCB customers.	<ul style="list-style-type: none"> 137 cases of loan appropriation.
	Mobile insurance application	Purchasing insurance through the mobile insurance purchase platform can reduce the time for filling out insurance documents, reduce notification ratio, and improve underwriting efficiency.	<ul style="list-style-type: none"> 1,468 mobile insurance applications
	Open banking	<ul style="list-style-type: none"> Collaborate with the Taiwan Depository & Clearing Corporation (TDCC) to provide customers access to various items such as checking balances for demand and time deposits in TWD and foreign currencies and transaction details through the "TDCC e-Passbook" APP. Collaborate with Far EasTone Telecommunications to provide customers access to various functions such as checking balances for demand deposits in TWD, transaction details, credit card limit, and bill transaction details through the "friDay Wealth Management +" APP. 	<ul style="list-style-type: none"> TDCC e-Passbook: 69,662. Far EasTone friDay Wealth Management +: 360.

TCB	Wealth management iCooper	The Wealth Management iCooper system combines algorithms and computer systems to create an intelligent wealth management system in the era of fast-growing AI technologies and rapidly evolving global markets. It constructs the most appropriate investment portfolio through rational analysis and no human interventions.	<ul style="list-style-type: none"> The Wealth Management iCooper was officially launched on January 27, 2022. As of the end of 2023, nearly 16,300 people have completed account opening, and the amount subscribed exceeded NT\$480 million.
	Digital service platform for foreign exchange transactions	Customers can open digital FCY savings accounts online and conduct foreign exchange transactions such as deposits, remittances, time deposits, and import letters of credit through online banking to reduce the carbon footprint and paper usage during over-the-counter transactions.	<ul style="list-style-type: none"> There were a total of 311,483 digital FCY savings account, an increase of 39.93% compared to 2022. Impacted by fluctuating exchange rates, the amount involved in foreign exchange through online banking came to US\$15,476.506 million in 2023, a decline of 10.46% from 2022. There were 1,505,041 transactions, a growth of 8.06% from 2022.
	Process of RPA	By applying business process analysis, TCB has digitized specific operating procedures through human-machine collaboration to simplify operations. This is to enhance digital operational efficiency.	<ul style="list-style-type: none"> 36 items are now available online, with a total of 108 processes, saving approximately 1,028 people in terms of manpower per day.
	Accessible automated equipment	The main equipment includes ATM models suitable for wheelchairs and visually impaired people, providing more complete financial-friendly services and increasing the usage rate and willingness of people with disabilities.	<ul style="list-style-type: none"> In 2023, there were 1,198 ATMs in total for wheelchair users and 303 ATMs for the visually impaired, occupies 25.29% of ATMs. It is expected that the ATM deployment program for the visually impaired will be completed in 2024.
TCS	Account opening online	Customers can complete ID verification and link settlement accounts through TCB's Internet banking. Account opening can also be applied 24/7, increasing the accessibility of banking and securities services for the elderly and socially disadvantaged groups (including groups or locations where financial services are inaccessible) and improving customer convenience.	<ul style="list-style-type: none"> 7,760 cases of account opening online, accounting for 25.85% of the total account opening for the year.
	Paperless account opening system over the counter	Customer's accounts are opened on tablets to reduce paper waste and operational time.	<ul style="list-style-type: none"> 1,007 cases of paperless account opening system over the counter, accounting for 3.35% of the total account opening for the year.
	Online Taiwan stock regular quota service	Provide customers with mediocre incomes with diversified investment options. They can set their own monthly deduction dates and amounts online.	<ul style="list-style-type: none"> 25,657 regular quota accounts were opened, and the amount debited with NT\$1.637 billion in 2023.
	Credit applications online	Customers can apply for credit account opening, renewal and adjust their credit limit online without going to the bank.	<ul style="list-style-type: none"> 1,451 online credit applications were received.
	Orders made electronically	Customers do not have to contact salespersons to place their orders by using their mobile devices or personal computers.	<ul style="list-style-type: none"> Percentage of orders placed electronically was 88.15%.
	Application to activate online	Mobile ePassbook of TDCC, electronic daily statements for Taiwan stocks, subcontract electronic monthly and daily statements, and online application for public tendering is added in 2022.	<ul style="list-style-type: none"> A total of 23,449 applications for TDCC's ePassbook. A total of 10,302 people applied for electronic daily statements for Taiwan stocks. A total of 7,971 people have applied for sub-brokerage electronic monthly and daily statements. There were 31 online applications for public tendering.
	Tax filing certification services	Use TCS electronic certificate for filing individual income tax online.	<ul style="list-style-type: none"> There were 1,320 cases of tax filing through TCS electronic certificates.
BNP TCB Life	Online insurance application	Customers can apply for insurance through the Internet. They can be protected 24 hours a day at any time and place.	<ul style="list-style-type: none"> There were 60,549 customers covered by insurance through online enrollment, a growth of 20.35%, bringing the cumulative number of customers covered by insurance to 3,599.
	Conversion ratio of online investment target	Customers can perform conversion operations through the online policyholder service zone. In turn, they can avoid the delivery time to increase the time required for application.	<ul style="list-style-type: none"> The number of online fund conversion accounted for 55.30% of the total number of fund conversion.

Innovative Patent R&D and Management

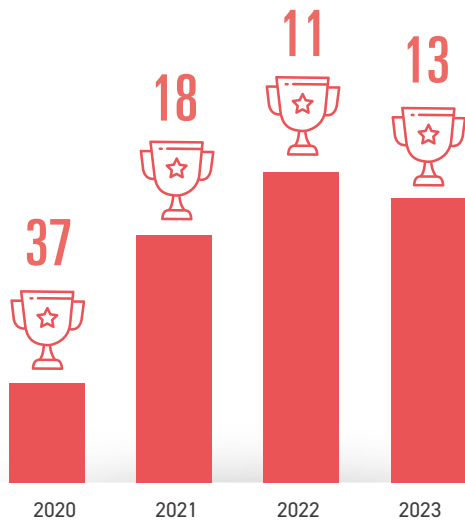
TCFHC defined its "Intellectual Property Management Program" in 2020 in an effort to promote integration and coordination of intellectual property management jointly with its subsidiaries. TCB introduced the "Taiwan Intellectual Property Management System" (TIPS) for the 1st time that year to perfect its management of intellectual properties applying the management cycle of "Plan-Do-Check-Act (PDCA)" and became one of the few financial institutions in the country having been certified as TIPS Class A for 4 years in a row, demonstrating outstanding results in creating and protecting intellectual properties.

In conjunction with the FSC's promotion of Fintech and corporate governance 3.0, TCB continues to hold intellectual property-related cognitive education and training courses every year to enhance employees' awareness and value of intellectual properties and strengthen risk management and internal control so as to ensure security and legitimate use. Meanwhile, the patent incentive system is enforced to encourage proactive research and development of innovative technologies among its people. As of 2023, more than 600 patent certificates had been issued by the Intellectual Property Office, Ministry of Economic Affairs and had been actually utilized in credit and loans, debt management, foreign exchange, business and marketing, anti-money laundering, and electronic finance, with improved operational efficiency and reduced operational risk.

TCB has been on the list of the top 100 domestic legal entities for patent applications for 6 consecutive years since 2018, and the number of cases has hit new highs. It ranked 13th in 2023. Although it fell slightly by 2 places from 2022, it still ranked the first in the financial industry for 2 consecutive years. TCB has successfully obtained 223 patents in 2023, covering various aspects such as big data, mobile platforms, AI and security control mechanisms, and is actively applied to all levels of business.



Ranking of Top 100 Local Corporations in Patent Application



Number of Cumulative Fintech Patents Approved or Under Review by TCB in 2023

	Mobile Platform	Big Data	Artificial Intelligence	Biometric Identification	Security Control Mechanism	Biometric Identification	Other	Total
Approved	66	73	51	14	38	23	349	614
Under Review	31	24	31	15	26	6	55	188
Total	97	97	82	29	64	29	404	802

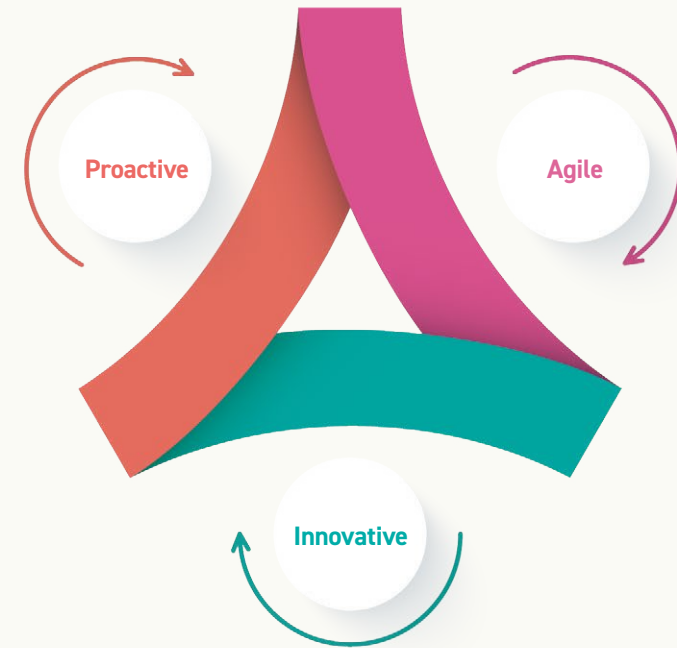
| TCB CoLAB

In order to continue with the momentum to drive innovation and to develop innovative managerial capabilities as well as for the long-term goal of forming a culture where innovations are shared and sustained, TCB established the CoLAB in 2019 to help nurture seed staff. A cross-departmental collaborating innovative business model was created to facilitate constant collaboration with external consultants, sharing and exchange of business experience with different internal and external teams to fulfill creative output and maximize possible financial applications so that market trends as well as business needs are addressed.



• Innovative Value and Culture

The corporate philosophy of **"Proactive, Agile, Innovative"** has become CoLAB's core competencies. It has established an operation module that drives digital innovation transformation to continue promoting the growth of digital innovation.

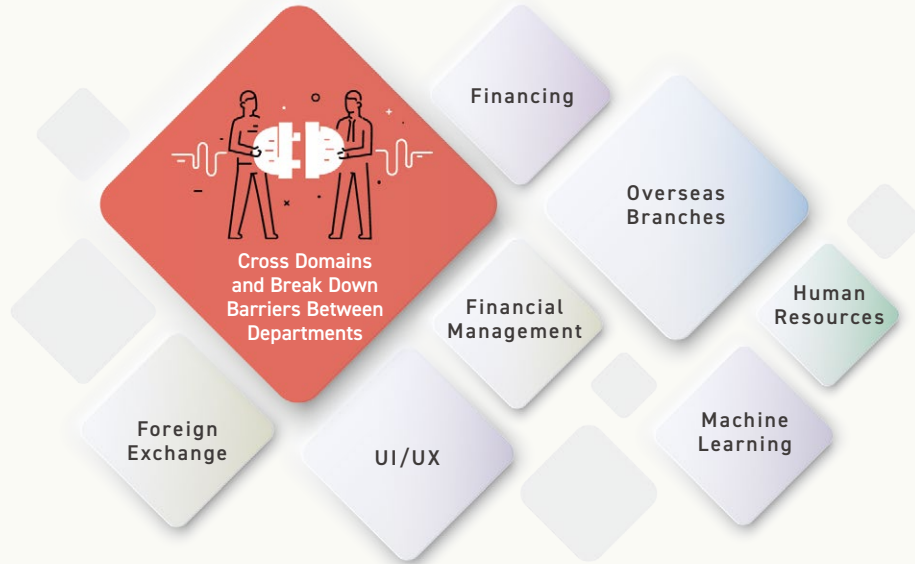


• Innovative Operations and Management

📁 Creative Output Modules



📁 **Cross-Domain Integration**



📁 **Digital Innovation Transformation Module**

Performance in 2023

Empower employees with agile innovation and digital marketing skills

Focusing on the **4** current products, held

- . **2** meetings and briefings
- . **5** courses and workshops
- . **236** people received training

Sustainable innovation implemented in response to customers' digital financial needs

- . Increased FinTech patent output and obtained **61** patents

Link with new start-ups and communicate progress of innovation

- . Generated **1** trust innovation solution landing plan
- . Digital Customer Experience Guide has completed the review of **3** projects.
- . Completed **2** sharing sessions at FinTechSpace and MeetTaipei, Asia's largest innovation and entrepreneurship exhibition

• **Innovation Benefits and Maintenance**

Internal Benefits

In 2023, CoLAB assisted the Digital Development Committee to promote **7** major projects concerning corporate banking and consumer banking, and technology infrastructures, as well as **21** digital projects that serve individual and corporate customers. With the implementation of "Digital Customer Experience Guide", it further accelerates the improvement of customers' positive digital experience.



External Benefits

TCB's "Digital Customer Experience Guide" created a shared spirit of creation and design and increased cross-team coordination running from online to offline. TCB provides a consistent digital customer experience and promises to continue to increase customer satisfaction, from identifying digital channel contact points to drawing journey maps for customers. TCB conducted customer target group analysis and digital experience inspection. Among the industries in the same trade, CoLAB Task Force has taken the lead in establishing digital customer experience guidelines, which are "Co Family," "CoCharge," "CoCreate," "CoTravel " and **12** executable items to experience. TCB designs project services based on different target customers and scope to take into account the needs of different groups.

CoFamily



Feel Warm

CoCharge



Feel Empowered

CoCreate



Feel Inspired

CoTravel



Feel Relaxed

5.3 Financial Inclusion GRI 2-23、2-24

Financial Inclusion Policy

In response to the sustainable development goals of the United Nations to promote financial inclusion and provide basic financial services to disadvantaged groups, the Group has launched tailor-made financial products and services that meet the needs of all sectors of society or different ethnic groups to make people with different backgrounds all entitled to fair and reasonable financial services or resources. In order to implement financial inclusion and promote financial inclusion services, the Company has enacted "Financial Inclusion Policy".



Promote Digital Savings Deposit Accounts

In order to strengthen financial services, TCB particularly provides the general public, residents in remote areas with the opportunity to open digital savings deposit accounts transcending time and space restrictions. The accounts are entitled to preferred withdrawal and transfer charges and high interests for demand deposits as incentives for savings.

In 2023, the net increase in digital savings deposit accounts amounted to 188,534 accounts, reaching a total of 676,648 accounts by the end of 2023. Among them, there was a net increase of 4,814 accounts in rural areas, totaling 17,003 accounts.

Promoting Urban Renewal

The Group has set up "Urban Renewal and Time-worn Buildings Reconstruction Task Force" and launched "Advance Payment for Urban Renewal and Time-worn Buildings Reconstruction" with real estate trust, construction fund trust, and financing plan. Integrated services are provided through partnering with United Real Estate Management to assist urban project integrators in acquiring working capital, construction audit, and management of contract enforcement and provide customers with one-stop innovative financial services. As of the end of 2023, the total number of TCB urban renewal and time-worn building reconstruction financing projects being undertaken was 242 totaling NT\$174.19 billion.

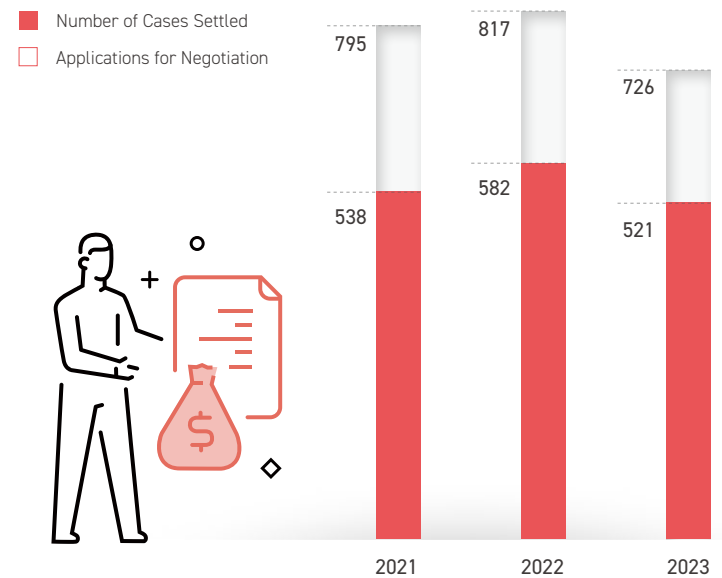
One-Stop Services for Urban Renewal and Risky/Old Building Reconstruction

TCB		CAM	United Real Estate Management
Integrate services <ul style="list-style-type: none"> Land mortgages Construction financing Real estate investment trusts Home mortgages 	Integrate needs <ul style="list-style-type: none"> Land owners Construction companies Urban renewal companies 	Provision of fund for urban renewal integrators	Construction audit and contract performance management

Debt Negotiation

The Group has provided a number of solutions to assist consumers in clearing their debts, including debt negotiation or enforcing the agreement reached in pre-negotiation, re-negotiated debt repayment scheme, or the debtors who failed to reach pre-negotiation agreement could request pre-mediation, revival, or clearance to the court. We endeavor to provide measures that could help mitigate the economic burden of debtors and repay their debts. In 2023, TCB completed 520 pre-negotiation cases and TCS completed 1 signing. They agreed with defaulting customers to repay in installments and assisted them in clearing their debts.

Pre-Negotiation Cases



For the financially disadvantaged who have difficulties repaying their unsecured debts for 3 months or longer, such as low-income borrowers, borrowers with major illness, moderately disabled borrowers, victims of major natural disasters, and borrowers who have been involuntarily unemployed for 3 months or longer, TCB also offers "Project for Consumer Finance Unsecured Debt Extension for Financially Disadvantaged Borrowers" to help them to settle down and repay their debts.

Cultivating the Financial Power of Diverse Groups

The Group integrated resources to provide diversified financial programs to meet the different needs of customers to achieve common good in the society. Of different project loans for stimulating the development of small enterprise and local community that TCB has underwritten, the ones with an amount exceeding NT\$5 billion are urban renewal loans (NT\$23.367 billion), agricultural and fishery loans (NT\$13.167 billion) and youth loans (NT\$14.108 billion). The total amount of the 657 cases of overdue loan accounted for 0.25% of the total relevant project loans earmarked for stimulating the development of small enterprise and local community.

	Financial Programs	Performance in 2023	
Microbusinesses/ SMEs	Simple Loans for Microbusinesses To assist the development of microbusinesses, TCB has established "Simple Loans for Microbusinesses" to provide financing services for microbusinesses with a loan amount of up to NT\$1 million.	Undertook SMEs with paid-in capital below NT\$ 30 million	
	SMEs and Relevant Loan Projects To support SMEs, TCB promoted "SME Loans Projects" and relevant loans to help businesses obtain funds, with an annual goal of increasing NT\$10 billion compared with the previous year. To assist governments in various cities in the development of SMEs, TCB provided loans such as the "Taipei City Business Development Incentive Program for Loans at Preferred Rates", "Taoyuan City Youth Entrepreneurship and SME Credit Guarantee Loans", and "Tainan City Youth Entrepreneurship and SME Credit Guarantee Loans".	61,759 households 71,252 households NT\$ 831 billion	The balance of loan NT\$ 327.7 billion The percentage of the new loan balance for SMEs to the new loan balance of private enterprises 10.01%
	TCB participated the Small and Medium Enterprise Administration's "Enhancing Financial Competitiveness Program for SMEs", providing short- or long-term financial diagnosis or financing advice for SMEs.		24 households
Indigenous Peoples	Loans of Indigenous Peoples Comprehensive Development Fund In order to meet the needs of indigenous peoples' microeconomic activities and small amount of working capitals for individuals or families, we assisted the indigenous people in the sound economic and social development and offered indigenous peoples comprehensive development fund loans. In conjunction with the Council of Indigenous Peoples' 1.0, 2.0 and 4.0 relief plans in response to the severe infectious pneumonia, from March 2020 to June 2023, we assisted in applying for interest exemption, principal forgiveness or loan term extension to reduce the loan burden of indigenous peoples.	Business loan 453 cases, NT\$ 319 million Housing loan 14 cases, NT\$ 4 million Micro loan 2,084 cases, NT\$ 237 million	Existing 2,551 cases NT\$ 560 million
	Hakka Regional Revitalization Preferential Loan Assist SMEs in the Hakka region to obtain financing to support them in enhancing service capabilities or expanding operational scale.		24 cases
Unemployed and Entrepreneurs	Loan for Start-up Assistance for the Unemployed of Employment Insurance, Unemployed Middle-Aged and Elderly Citizens Business Start-up Loan, and Micro/Women Start-up Loan Provide the Loan for Start-up Assistance for the Unemployed of Employment Insurance and Micro/Women Start-up Loan to relieve the capital pressure on women, middle-aged and elderly, and residents from offshore islands in the early stage of business, and allow them to operate their business steadily.	Newly approved 118 cases	New loan appropriation NT\$ 83 million

	Financial Programs	Performance in 2023	
Youth	Loan for Youth Entrepreneurship and Startup Capital In order to create a favorable environment for young entrepreneurs and to boost entrepreneurship, there are the youth entrepreneurship and start-up capital loans to assist young entrepreneurs in obtaining the funds needed for operation.	Newly approved 2,545 cases	New loan appropriation NT\$ 2.267 billion
	Housing Loans for Youths by the Ministry of Finance Underwrote Ministry of Finance's Preferential Housing Loans for Youths and assist those who do not own a house to purchase a house and provide a loan of up to 80% with a maximum amount of NT\$10 million.	Newly approved 3,465 cases	New loan appropriation NT\$ 22.998 billion
First-Time Buyers Obtained the "Subsidy Certificate" Approved by Competent Authorities	Ministry of the Interior Purchasing Loan In accordance with the "Instructions for Financial Institutions to Handle "Residential Subsidy" Self-Purchase and Renovation Home Loans" stipulated by the Ministry of Interior's Construction Administration, we provide housing loans for people who have obtained subsidy certificates to reduce people's loan pressure.	315 cases	NT\$ 657 million
Indonesian Migrant Workers	Rapid Remittance for Indonesian Families and Settlement Service Provide the Indonesian version outbound remittance application form and Indonesian bank SWIFT CODE comparison table, and directly verify the overseas beneficiary bank account information through the global account verification platform. After verification, automatically convert US dollars into Indonesian rupiah according to local Indonesian regulations. The funds are then credited to the beneficiary's account on the same day or the next day, providing Indonesian migrant workers with convenient and considerate financial services through the most effective overseas remittance.	215 cases	US\$ 634,694.80 (equivalent to NT\$19.49 million based on the closing exchange rate of 30.705 at the end of 2023)
Students Studying Abroad	The Ministry of Education Subsidizes Student Loans for Students Studying Aboard Assist Taiwanese students studying for master's and doctoral degrees in compliance with the regulations of the Ministry of Education in their tuition by offering student loans subsidized by the Ministry of Education.	40 cases	NT\$ 27 million
Socially Disadvantaged Groups	Charitable Trust TCB serves as a trust institution to manage the charitable trust. The goal of continuously helping the disadvantaged can be achieved without the trustor personally intervening in the execution of charitable affairs. The general public can also donate or join the charitable trust to provide opportunities for enthusiastic people to participate.	2 cases	NT\$ 34 million
Disabled People	Disabled People Property Trust Provide comprehensive asset planning for disabled people to ensure property safety and earmark funds for daily life and medical needs.	140 new beneficiaries	Newly added trust property principal NT\$ 112 million

Guarding LOHAS and Elder Care

In support of the government's efforts in building a nationwide long-term care system as well as an environment for development of healthcare industry in context of aging society, the Group has continuously integrated different resources to offer a variety of innovative and inclusive financial products and services to the elderly, with an aim of becoming the "No.1 brand in LOHAS and elder care" so as to leverage its influence as a member of financial industry.

Talent Cultivation for Products for Elderly

In 2020, TCB has partnered with Taiwan Association of Family Caregivers to launch "Seed Staff of Long-Term Care" training program by contributing its core competitiveness of 270 branches service network to create a warm and compressive product and long-term care services interlinked network to support customers at all aspects and tap into social resources to solve difficulties.





In addition, starting in 2021, TCB invested in training "Eldercare Financial Planning Consultants". TCB is the 1st bank to have more than 100 "Eldercare Financial Planning Consultants" dedicated to helping customers with trust planning and elderly care advice. In addition, the "Family Trust Planning Consultant Certification System" launched in 2022 is also one of the professional competency certifications promoted by the Trust 2.0 project. By the end of 2023, 630 employees have obtained the "Eldercare Financial Planning Consultant" certification, and 81 employees have obtained "Family Trust Planning Consultant" certificate.

TCS provides the "Eldercare Financial Planning Consultant" courses and subsidizes the examination fees to encourage employees to obtain certificates. It also hires external lecturers to conduct education and training on the protection of the rights and interests of the elders and people with disabilities, prevention of dementia, relevant cases and guidelines in the super-aging society. This is to improve the employees' service quality for the elders.

Trust 2.0 Phase 2

The aging and chronic diseases resulting from the aging population have led to a significant increase in the number of people with disabilities. On the other hand, the impact of declining birth rates, changes in the concept and value of children's ability to support their parents have led to a rise in the proportion of people living alone. How to ensure the security of property and receive proper care in senior years will be a major issue for Taiwanese people. To assist the public in managing assets and ensure financial security through trust mechanisms, TCB continues to actively support FSC's Trust 2.0 "Comprehensive Trust" Phase 2 promotion plan and various social policies. In addition to strengthening organizational functions of departments, cultivating professional talents and industry-academia cooperation, TCB has also reinforced cross-industry alliances with long-term care and medical service providers and the industry of information technology. In addition, regarding measures adopted to treat elderly (dementia) customers friendly, the approaches and knowledge in terms of cognitive exams performed at healthcare facilities were referred to an effort to boost the knowledge of financial institutions about health conditions of elderly (dementia) people's cognitive state and their ability to express themselves, among others and to provide suitable transactions and services reflective of their cognitive state and their ability to express themselves so that their rights are protected. TCB provides people up-to-date comprehensive trust services.

Financial Products for Elderly

 <p>Insurance</p>	<p>Provide a full range of risk protection for life, including cancer, death, total disability, total disability assistance, major burns and scalds, severe injury and disability pension, and double protection for specific accidental injuries for the elderly. As of the end of 2023, there were 37,508 insurance product contracts for elderly (including investment-linked annuity, interest-sensitive annuities, long-term care insurance, and small amount whole life insurance) with a premium of NT\$39.948 billion.</p> <p>Guard Small Amount Whole Life Insurance Easily</p> <p>In response to the trends in population aging and declining birthrates, TCB has introduced simple, easy to understand, and with a lower premium small amount whole life insurance products to provide basic enhanced insurance for the elderly and facilitate insurance application. There was a total of 14 cases.</p>
 <p>Seniors Property Trust</p>	<p>Risks that may occur during old age and retirement include insufficient pension prepared, misappropriation or fraud by their children or others, lose all their savings due to improper investment, lack of trustworthy people to help manage properties, and inability to manage properties due to illness, aging or accidents. TCB offers a comprehensive asset plan for the elderly population through a trust mechanism. The plan includes discretionary trust agreements, family trust services, one-stop services accomplished through trust mechanisms, and trust products designed according to different financial plans and beneficiaries. The plan is carried out to ensure assets and funds are for exclusive use to provide a complete guarantee for future life.</p> <p>8,174 beneficiaries were added to the TCB Seniors Property Trust in 2023, with additional principal of the trust property totaling NT\$8.013 billion and the service value reaching NT\$6.47 million, accounting for about 4.26% of the total service value of NT\$152 million.</p>
 <p>Loans</p>	<p>TCB has undertaken the "Full Loan for Housing-Based Elderly Care" which allows the elderly to use their own properties as collateral to receive living expenses on a monthly basis with 273 new cases and approved loans totaling NT\$2.01 billion in 2023. There were 2,744 loans (among them, including 1,817 cases those who had no income or whose monthly salary was less than the minimum wage) approved for a total of NT\$16.98 billion, accounting for 2.04% of the total amount of mortgage. As of the end of 2023, the loan amount of "Full Loan for Housing-based Elderly Care" accounts for 0.23% of the total mortgage business amount.</p>
 <p>Credit Card</p>	<p>TCB introduced credit cards specifically for the elderly population and promoted a variety of exclusive offers to enable the elderly to live a rich and fulfilling life during old age.</p> <p>As of the end of 2023, TCB has issued a total of 71,479 LOHAS credit cards.</p>

Ms. Liang is deaf and has 3 children. The eldest son went astray, have been imprisoned many times, and often asks her for money. Fortunately, the other two children are very filial, but they have already married and do not live with Ms. Liang.

Recently, the eldest son needed money and took Liang's ATM card without her permission. She and her family are very troubled by the situation. They hence discussed with the neighborhood chief and TCB. TCB decided to set up the elderly care trust for Ms. Liang that prioritizes protection of assets and has the other 2 children to serve as the trust supervisors, in sufficient honor of the essence of property trusts to ensure property security and earmarked funds, and to enforce inclusive financing that aims to help financially vulnerable people enjoy their life while they grow old.



Create a Friendly Financial Environment

Barrier Free Friendly Service Environment

270 branches of TCB across Taiwan have all had different types of barrier-free facilities or measures in places, including a barrier-free slope for enabling physically or mentally impaired people or other disadvantaged to enter, tactile floor tiles and service bell, barrier-free service counter and ATM, and designated service staffs to assist with financial businesses. Moreover, we collaborate with the Taiwan Association of Sign Language Interpreters to provide sign language interpretation services. In order for disabled people to enjoy more friendly financial services, TCB waives interbank ATM cash withdrawal fees particularly for account holders with disabilities, which may be applied for at the counter, by mail, or online. In order to take care of areas with low population density (not exceeding 300 people per square kilometer) or economically disadvantaged areas (counties and cities in the bottom 1/3 of economic and employability rankings), TCB has set up 19 branches and installed 72 ATMs, providing the same services as other areas. TCB also offers a variety of channels, such as intelligent customer services, live chat customer services, Internet, APP, voice call, and telephone service representatives, to enable users to choose a suitable way to inquire about businesses or express their opinions.

All of TCS's business locations received the "Dementia-Friendly Label" from the Ministry of Health and Welfare in 2022. In addition to setting up elderly and barrier-free service areas for the elders and people with disabilities at all business locations in Taiwan, TCS deploys qualified first aid personnel, provides elderly customers with reading glasses and blood pressure monitors, and actively cares for the elders and customers with disabilities when providing over-the-counter services at the same time. TCS has planned the height of its service counters to be suitable for elderly customers who use wheelchairs to fill out account opening-related documents. TCS also provides various consulting services to elders, such as calling a taxi or borrowing a wheelchair, and assigns dedicated personnel to assist.



Friendly Financial Services Section

TCB Internet Banking

In order to provide disabled people with better-quality and more convenient online financial services, except for the live chat customer service, official website, online ATM, and eATM with simple features of TCB are all rated "AA" according to the National Communications Commission (NCC) Website Accessibility Guidelines 2.1. The friendly personal online banking, in particular, is rated "AAA" according to the Accessibility Guidelines 2.1 to reflect the operational features needed for disabled customers and preferred ATM withdrawal processing fees up to 3 times may be applied for online. In addition, credit card application, card initiation, reporting of lost credit cards, and other services may be applied for through multiple channels such as online banking and mobile banking.

TCS Official Webs

To create a friendly and convenient investment environment for people with disabilities and commit to provide barrier free financial services, TCS's friendly service section on its official website has obtained the "Accessibility Website Label-A Level" certification. TCS complies with friendly financial measures stipulated by competent authorities to provide diverse order placing and account opening services, such as phone, voice, and electronic ordering. TCS also integrate nondiscriminatory digital services to make it more intuitive and convenient for customers to operate. In addition, various online financial services can eliminate the inconvenience of visiting the counter, save time, and provide professional and complete electronic transaction services 24 hours a day.

Building a Bilingual Financial Service Environment

- TCB has established 131 bilingual service branches (accounting for 48.52% of the total number of domestic branches) by the end of 2023. Exclusive English service counters, document forms commonly used by foreigners, bilingual signs and ticket dispensers in the business lobby, and multi-language translation machines are provided to serve customers from non-native English-speaking countries. In addition, the branches in Nanjing East Road, Yuanshan, Zhongli, Taichung, and Kaohsiung where Japanese tourists frequently visit have added Japanese language services to enable foreign tourists to enjoy warm and friendly financial services.
- TCS has actively responded to the "Blueprint for Developing Taiwan into a Bilingual Nation by 2030" by setting up bilingual signs at its service locations and providing bilingual versions of commonly used application forms at its counters. Important business locations are staffed with personnel who are capable of providing services in English. In the future, TCS will continue to provide more bilingual services to meet the financial needs of foreigners and connect with the international community.



CH6

Employee Care

Stakeholders of Concern

- + Employees
- + Customers
- + Suppliers
- + Governments and Competent Authorities
- + Shareholders/Investors
- + Academic/Consultancy/Industries/Guilds and Association

Corresponding Material Topics

- + Employee Remuneration and Benefits
- + Equality, Diversity, and Inclusion of Human Rights

SDGs



6.1 Talent Recruitment and Retention GRI 201-3、401-1、401-2、401-3、405-1、405-2

Talent development is fundamental to any enterprise wishing to pursue sustainable development. Committed to being a "happy enterprise", the Group has been working to build an employee-friendly and healthy workplace, providing comprehensive remuneration and benefits packages as well as a well-planned career development scheme, flourishing multiple channels for talent recruitment, and establishing effective communication channels between employees and executives to reduce the possibility of any form of forced labor.

Talent Recruitment

In response to rapid changes in the financial environment and the vigorous development of digital banking, the Group is working to cultivate talents and improve competitiveness, actively recruiting elites in the field of finance based on the needs of each unit through open recruitment, campus recruitment, and industry-academia collaborations. Additionally, to keep up with the digital era and break traditional stereotypes regarding state-owned financial institutions, the Group actively makes use of new media, conducting digital marketing from multiple angles, including social media curation, content marketing, ad placement, and search engine optimization (SEO). As of 2023, TCFHC has been selected as a constituent of the "Taiwan Employment Creation 99 Index" for 7 consecutive years, and consistently wins the award for being the "2023 Happy Enterprise Financial Management and Consulting Industry" for 4 years, which shows how TCFHC has been recognized for how much we value talents.

To foster a culture of inclusivity and diversity, when recruiting new employees, in addition to prohibiting the hiring of employees under the age of 16 (child labor), employees will not be hired because of their race, religion, skin color, political affiliation, age, gender, sexual orientation, marriage status or physical or mental disability, etc. Discrimination in employment is absolutely prohibited. In 2023, the Group recruited 643 new employees, accounting for 6.64% of all employees at the end of the year, with approximately 60% of new employees being under the age of 30, demonstrating the effectiveness of the Group's recruitment policy reforms in recent years.

Additionally, the gender ratio of new employees in recent years shows no obvious bias towards any gender, which is in accordance with the Group's policy against gender discrimination. The basic salary for both genders is the same, with a male-to-female annual median salary ratio of approximately 1:1.02.



2020-2023 Distribution of New Employees

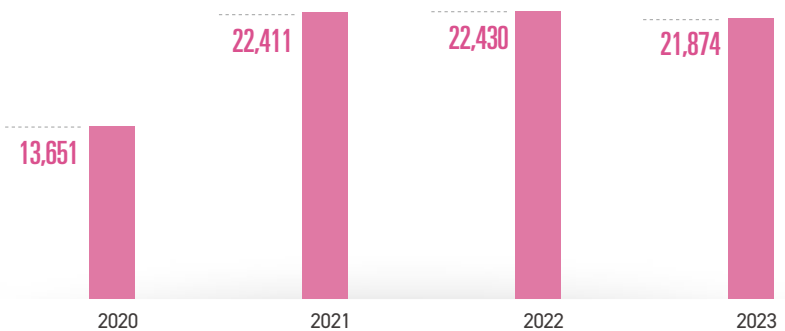
	2020	2021	2022	2023
Number of employees at the end of the year	9,448	9,526	9,642	9,687
Number of new employees ^{Note 1}	567	609	652	643
New employee hiring rate ^{Note 2}	6.00%	6.39%	6.76%	6.64%
Male	251	263	258	264
Female	316	346	394	379
Below age 30	386	397	392	388
Age 30-50	173	191	235	204
Above age 50	8	21	25	51
Managerial Position	9	18	24	27
Non-Managerial Position	558	591	628	616

Note 1. For details on new employees of each subsidiary, see [Appendix 1](#).

Note 2. New employee hiring rate = No. of new employees / No. of employees at the end of the year.

2020-2023 Average Employment Cost of New Employees

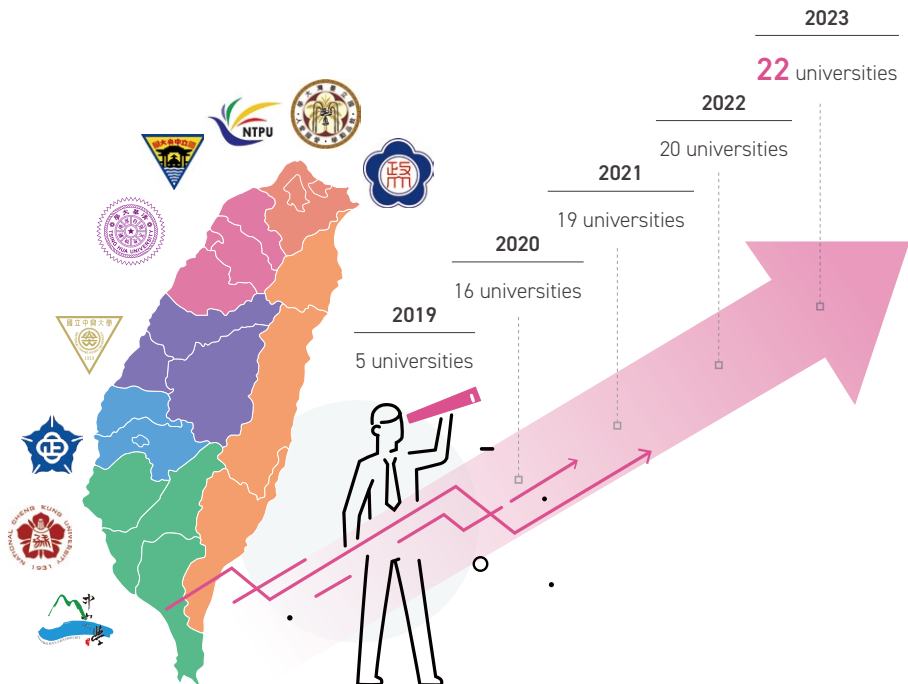
Unit: NT\$ dollar



Note: Average employment cost = New employee employment cost / No. of new employees.

Campus Recruitment and Career Fair

To attract potential graduates who are interested in working in the financial industry and communicate with students directly, TCB has continued to expand campus recruitment and career fair events in recent years, inviting employees to share their experience and introduce TCB at their alma maters to give students a better understanding of TCB's system and culture. In 2023, TCB organized 22 campus recruitment and career fairs and 4 employment fairs at 22 universities, including National Taiwan University, etc. The 22 career fairs were attended by approximately 2,000 university students.



Industry-Academia Collaboration

To support local education and increase community recognition in nearby communities, TCB actively facilitates industry-academia collaborations with universities near its branches for local students to join. Since 2017, TCB has carried out collaborations with 8 universities, providing internship opportunities to students who are about to graduate. In addition to senior employees sharing practical experience about working in finance, the combination of actual practices and theories help students bridge the gap between academic theory and practical application, so that they can quickly adjust to the workplace. During the internship, those who perform well and have passed the interview shall be promoted to a permanent employee, securing a job as soon as they graduate. In 2023, there were a total of 80 intern students who have completed the industry-university cooperation training, and 40 of which returned as full-time employees, making a return rate of 50% to achieve the goal of hiring local talents for operation centers and enhancing community recognition.

2023 Industry-Academia Collaboration Partners and Number of Recruitment



Industry-Academia
Collaboration
Program Return
Rate of 50%



Summer Internship

With the goal of cultivating and recruiting talent, TCB provides summer internship opportunities to students of National Tsing Hua University and National Chengchi University. The 2-month internship program helps students prepare for the workforce and industry and develop skills they need to prepare for the future and solve problems. Panel discussions are also held at the end of the program so that TCB can get feedback from the interns and improve the internship program going forward.

Employee Remuneration

To create a good working environment and inspire employees' enthusiasm and synergy, TCFHC has a comprehensive remuneration and benefit program, providing stable remunerations and multi-faceted employee benefits to better the employees' mental and physical health and create a "happy workplace".

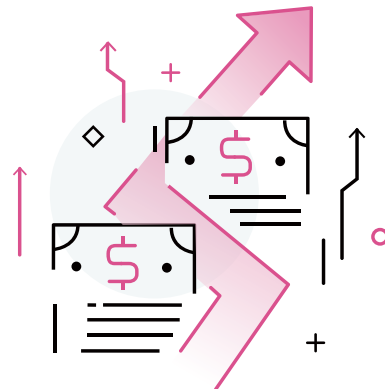
Remuneration Policy

The basic salary of new employees is determined by job position and responsibilities, will not differ because of race, religion, skin color, political affiliation, age, gender, sexual orientation, marriage status, disabilities, or group association, and is always higher than the local minimum wage.

To ensure that the Company's operating performance and achievements are reflected in employee remuneration, annual employee bonuses and remuneration are given according to the Company's overall operations that year. The personal performance of individual employees will also be evaluated to determine potential raises or bonuses. For overseas employees, TCB will also refer to the local index and industry remuneration standards when approving remunerations adjustments and bonuses each year.

For the sake of boosting employee welfare, TCFHC and its banking subsidiary, TCB, adjusted salaries by 4% regardless of position in 2023. The overall salary increase following promotion with addition of year-end evaluations came to 6.65%. In response to the preferred people-friendly measures under the income tax system of the government, lunch allowances were raised to NT\$3,000, which would take effect on January 1, 2024. Other subsidiaries also saw an average pay increase of over 3%, depending on business type and overall performance evaluations. The pay increase not only boosted employee morale but also strengthened the Group's competitiveness in terms of remuneration.

TCFHC has been selected as a constituent of the "Taiwan High Compensation 100 Index" for 9 consecutive years since 2015, meaning that the Group's remuneration level is among the top of all listed companies. In both 2019 and 2020, TCFHC had the highest median salary of all financial holding companies in the financial and insurance industry. Impacted by fluctuations in the global financial market, the Group's 2023 average salary of full-time non-managerial employees was NT\$1.376 million, and the median salary was NT\$1.291 million, both of which have decreased slightly from the previous year.



2021-2023 Median Salary of Full-Time Non-Managerial Employees

Year	No. of Full-Time Non-Managerial Employees (person)	Average Salary of Full-Time Non-Managerial Employees (NT\$ million)	Growth Rate (%)	Median Salary of Full-Time Non-Managerial Employees (NT\$ million)	Growth Rate (%)
2023	8,392	1.376	-3.23	1.290	-2.57
2022	8,427	1.422	-2.34	1.324	-1.49
2021	8,352	1.456	6.90	1.344	8.04

Note: The numbers provided in the table follow applicable requirements in the "Directions for Reporting Operations of Full-Time Non-Managerial Staff Salary Declaration" and "Applicable Q&A" released by the Taiwan Stock Exchange.

2023 Gender Pay Gap Analysis

Index	Disparity (%)
Mean gender pay gap	1.86
Median gender pay gap	-0.95
Mean bonus gap	-0.18
Median bonus gap	-6.07

Note: The percentage of gender pay gap = $\frac{[\text{Compensation for male (average compensation/median compensation)}] - [\text{Compensation for female (average compensation/median compensation)}]}{[\text{Compensation for male (average compensation/median compensation)}]} \times 100\%$

TCFHC actively implements the sustainable development policy; through the "Subsidiary Management Measures" and "Appraisal Measures for Subsidiary's Business Management", ESG sustainability evaluation and climate risk management are appropriately linked to the remuneration of employees of the subsidiaries (including chair, CEO, and other senior managers). The implementation results of major environmental, social, and governance (ESG) themes and major achievements (including but not limited to corporate governance, operation management, environmental protection, and corporate social responsibility (CSR)) are incorporated into the operational performance evaluation of the subsidiaries as bonus points, with a view to continue to deepen the sustainable governance of TCFHC and implement the ultimate goal of corporate sustainable operations.

Employee Welfare

To protect the interests and rights of the employees and prompt the harmony of industrial relations, the Group also provides employee benefit measures that are superior to regulatory standards, making adjustments and additions whenever necessary. With these good benefit measures, the Group hopes to look out for employees and fulfill its corporate mission to take good care of employees.



Family Care

Matchmaking events for singles, marriage allowance, unpaid parental leave for raising children, maternity allowance, childcare subsidy, birthday activity, funeral subsidy, child scholarship, special allowance for retirement and layoff, flexible working hours, and part-time work^{Note}



Welfare Facilities

Company canteen, parking lot, lactation room, infirmary, employee welfare club, multifunctional sports and event center, staff dormitory and networking events center for retired employees, subsidies for sports and club activities, meal allowances



Healthcare

Employee health examination with subsidy, employee counseling, healthy lecture, flu vaccination, on-site specialist physician clinics and healthcare services, remote work



Reassurance

Labor insurance, national health insurance, employee group insurance, employees' families' group insurance, employee emergent financial aids and bereavement payment, pension, and employee stock ownership trust

Note:BNP TCB Life currently employs part-time staffs who work 4 hours a day. TCB also has actual cases in which employees who are raising children under the age of 3 applying to reduce the number of working hours.

Family care

In order to let employee and their dependents benefit more care, the Group provides generous allowance and subsidy scheme for marriage, maternity, childcare, and funeral, as well as child scholarship, emergent financial aids, bereavement payment, and various comfort payments to establish a comprehensive employee and dependent care structure.

| Matchmaking Events

To further the ideal of establishing a "happy enterprise", TCB organized its matchmaking event for single employees continuously, with professional event organizers hired to plan the event in hopes that introducing more engaging activities will encourage more employees to take part. In 2023, the matchmaking event will no longer be exclusive to TCB employees, giving busy single employees a chance to expand their social circles and find their life partner, so that through the power of family stability, employees can stay and work hard in TCB stably.

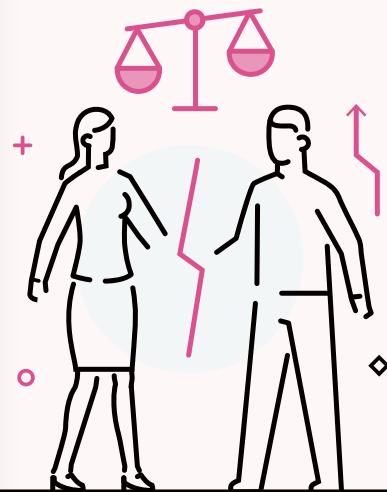


Childbirth Subsidy and Childcare Service

In response to the aging population and low birth rate in Taiwan, and considering the increase of women in the workforce in modern society and female employees need adequate time to recuperate after childbirth before returning to the workforce, TCFHC significantly increased childbirth subsidies in 2021 from up to NT\$100,000 for each pregnancy to NT\$150,000. There were 156 employees of TCB applied for subsidies in 2023, The total amount of subsidies reached a record high of NT\$ 19.075 million.

Childbirth Subsidy	2022	2023	Difference from Previous Year
No. of employees subsidized	163	156	-7
Total subsidy amount (NT\$ million)	18.984	19.075	0.091

For employees that meet the requirements of the "Gender Equality in Employment Act", TCFHC will not only approve the unpaid leave application but also retain the job position until the leave period ends. In 2023, there were 497 employees eligible for childcare unpaid leave, and a total of 113 people applied and were approved. In that year, aside from 6 of these employees who resigned voluntarily to pursue different career planning, the others were all reinstated. As a result, the reinstatement rate reached **93.48%**, and the rate of those who were reinstated in the previous year and stayed on for 1 year was as high as **98%**.



Application for Unpaid Parental Leave and Reinstatement by Employees

Gender	2022			2023			
	No. of actual returned staff (A)	Still employed for 12 months after return to work (B)	Retention rate (B/A)	No. of applicants for unpaid parental leave	No. of supposedly returned staff (C)	No. of actual returned staff (D)	Reinstatement rate (D/C)
Male	15	15	98.00%	24	26	24	93.48%
Female	85	83		89	66	62	
Total	100	98		113	92	86	

TCB has also signed a corporate childcare service contract with Hess Educational Enterprise Co., Ltd. to provide employees with childcare support, including registration discounts, extended childcare service hours, and occasional information on campus activities as well as parenting education consultation seminars and publications. The TCB Employee Welfare Committee gives childcare subsidy twice a year. For employees whose children are between the age of 1 and under 5, each child will receive a subsidy of NT\$1,000 each time. Besides, according to subsidy method, NT\$2,500 to NT\$3,500 of scholarship will be given to employees' children receiving education from schools at all levels accredited by the government to encourage their hard work at school. The education includes master's degree and doctoral programs, universities and colleges, senior high schools, and the five-year vocational schools are compared to the standards of senior high schools for the first 3 years, and the standards of universities and colleges for the last 2 years.

TCFHC not only complies with the "Act of Gender Equality in Employment", but also has a comprehensive leave system that is superior to statutory requirements, offering female employees full-paid menstrual leave, tocolysis leave, pregnancy leave, pregnancy check-up leave, and miscarriage leave. TCFHC also provides 42 working days of maternity leave (combined with pregnancy leave), which amounts to 8.3 weeks, when combined with holidays, employees can rest for up to 10 weeks, thoroughly implementing maternal protection measures. After employees return from maternity leave, TCFHC also offers breastfeeding time so that female employees can take care of their baby's health while at work. For male employees, TCFHC also provides pregnancy checkup accompaniment and paternity leave that are superior to statutory requirements. If employees have to take care of family members or children, they can also apply for 7-day family care leave with full pay, or leave without pay for child care. The work rules also clearly stipulate that if employees are raising children under the age of 3, they may apply for a reduction of working hours by 1 hour per day. These measures allow employees to adjust their working hours according to their needs, providing a childcare friendly workplace where employees can balance their work and family life.

Maternity Protection Measures Superior to Statutory Requirements

	Statutory ^{Note 1}	TCFHC (superior to statutory requirements) ^{Note 2}
Menstrual leave	Half-paid	Full-paid
Tocolysis leave	Not stipulated	Full-paid + 1.3 weeks of calendar days
Pregnancy checkup leave	7 days	1.4 weeks of calendar days
Miscarriage leave (pregnancy under 2 months)	Unpaid+5 days	Full-paid+14 days
Miscarriage leave (pregnancy lasted 2-3 months)	Unpaid+1 week	Full-paid+14 days
Miscarriage leave (pregnancy lasted over 3 months)	4 weeks	Miscarriage after 3-5 months of pregnancy: 21 days Miscarriage after 5 months of pregnancy: 42 days
Paid parental leave for the primary caregiver ^{Note 3}	8 weeks	8.3 weeks of calendar days
Pregnancy checkup accompaniment leave and paid parental leave for the non-primary caregiver	7 days	1.3 weeks of calendar days (Extended application period. Employees may apply for leave within 15 days before or after the day of delivery.)
Family care leave	Unpaid	Full-paid+1.3 weeks of calendar days

Note:1. Statutory maternity leave/miscarriage leave is calculated by calendar dates (including public holidays with no additional leave given).

2. TCFHC's leaves are calculated by business days (excluding off days, weekends, and public holidays).

3. Employees can negotiate with the unit 4 weeks before the expected date of delivery and apply for pre-maternity leave at once or in installments before delivery, but they should reserve at least 4 weeks to take it all at once after delivery.

Reassurance

In order to protect employees' life and work against uncertainty, TCFHC has enrolled its employees in labor insurance, national health insurance, and employee group accidental injury insurance to make sure each employee is being provided with the care they deserve during their duty hours. Employee's dependents are also entitled to join group insurance. Employee retirement or dismissal is handled in accordance with the "Employee Retirement, Casualty and Severance Regulations", and relevant subsidies are also provided by the Employee Welfare Committee.

As for the post-retirement life, TCFHC has set up an employee retirement system according to "Labor Standards Act" and "Labor Pension Act", with which TCFHC makes monthly contribution equivalent of 6% of each employee's insured monthly salary as the labor pension to provide security to employees' retired lives. In addition, TCB has also set up a retiree networking center as a venue for retirees to meet and interact with each other.

To improve its competitive edge and increase employees' willingness to work long-term at the company, TCB established an employee stock ownership trust in 2020. Full-time employees who have stayed at the company for more than 6 months can opt to participate in the stock ownership trust. For participants, TCB allocates NT\$1,000 of stock subscription (company allocated funds) to encourage employees (including senior level managerial employees) to invest in the company's stocks through systematic investment plan. This not only allows employees to share the fruits of the company as a shareholder, but also has the effect of additional salary. Employees can get back the full amount of self-allocated funds when they leave or retire, while company-allocated funds will be given based on employees' membership years, thereby increasing employee's willingness to stay with the company.

As of the end of 2023, 97.5% of TCB employees are part of the employee stock ownership trust, and the overall implementation has shown great results. In 2023, the TCFHC and other subsidiaries all approved their own employee stock ownership trust plans, which became effective in January 2024 onwards to hold employees together and to further enhance operational performance.

Welfare Facilities

TCFHC Group has been concerned with the health of employee, striving to create a happy workplace, an effort that has propelled each subsidiary and their branches to set up facilities subject to office size and the needs of employee, such as infirmaries, breastfeeding rooms, employee clubs, company canteens, and parking lots.

In addition, there are multi-functional courts, gyms, and yoga and dance classrooms in the Activity Center of the TCB headquarters. Employees can form teams to play basketball, badminton, and other ball activities, or take aerobic, yoga, dance, and other lessons and hire professional coaches to teach. To encourage employees to participate in club activities after work, eliminate stress from work, and enhance interaction among employees, starting from 2020, any clubs registered and established according to the "Guidelines for the Management of TCB Employee Clubs" can apply for the subsidies for expenses generated from club-related activities. As of the end of 2023, a total of 13 clubs have been registered, with a total subsidy amount of NT\$252,000.



Healthcare

In order to encourage employees to manage their own health, prevent or treat their health issues in a timely manner, the Group provides employees with various health examination subsidies, and entrusts professional health examination institutions to conduct health examinations at each unit every 3 years. In addition, in the past 3 years, the Group has fully implemented the self-paid influenza vaccine subsidy for employees in order to promote the health protection of colleagues.

Subsidies for Health Examination	Eligibility and subsidy amount	<ul style="list-style-type: none"> Employees under the age of 40 are entitled to 1 day of official leave for health checks every 2 years. Employees between the ages of 40 and 50 are entitled to a health check subsidy of NT\$3,500 and 1 day of official health check leave every 2 years. For employees over the age of 50, health check subsidies ranging from NT\$3,500 to NT\$10,000 are given based on different job positions in addition to 1 day of official leave for health checks. In addition to the existing official leave for health checks, employees stationed abroad are entitled to a subsidy of up to NT\$3,500 every 3 years.
	Subsidy method	<ul style="list-style-type: none"> Receipts and proofs of payment for subsidy.
	Total No. of people subsidized and amount in 2023	<ul style="list-style-type: none"> TCB conducted its triennial employee health check, with a total of 7,740 employees participating. The Group provided subsidies to 873 employees with a total health check subsidy amount of NT\$5.543 million.
Preventive Healthcare	Eligibility and subsidy amount	<p>The following employees are eligible for verified subsidy of up to NT\$6,000 once every 2 years.</p> <ul style="list-style-type: none"> High-risk employees who are between the age of 45 and 50, with the first degree of next kin diagnosed with lung cancer ^{Note} Employees aged 50 or older
	Inspection items (select one)	<ul style="list-style-type: none"> Computed tomography (LCDT) and magnetic resonance angiography (MRA).
	Total no. of people subsidized and amount in 2023	<ul style="list-style-type: none"> The Group subsidized a total of 343 employees, and the amount of subsidy for specific items of health examination reached NT\$1.942 million
Flu Vaccination Paid Out-of-Pocket	Qualifications	<ul style="list-style-type: none"> The whole Group
	Total no. of people subsidized and amount in 2023	<ul style="list-style-type: none"> TCB organized 2 employee state-funded/out-of-pocket flu vaccination stations, and BNP TCB Life continuously invited doctors to give flu vaccines to colleagues on the spot. A total of 446 people from the Group participated. Provide subsidies for influenza vaccine, 585 people were subsidized with the total subsidy amount of NT\$468 thousand.

Note: Only applicable to "computed tomography".

6.2 Career Management and Learning GRI 401-1

TCFHC integrates the core concepts and strategic directions of the Company, constructs complete education, training and further education courses, and plans training blueprints according to job levels and professional functions to establish effective career development training plans for employees. We hope to cultivate, retain and assist employees to practice career ideals and create a win-win situation where the company and employees can grow together.

In 2023, the turnover rate of TCFHC Group is approximately 6.10%. Excluding 268 employees who reached retirement age or applied for early retirement, the voluntary turnover rate is 3.33%. Although the turnover rate has been gradually increasing over the past 4 years, it is still far lower than the average turnover rate of 13.8% in Taiwan's financial industry. Additionally, the retention rate of new employees at TCB in 2023 was 89.78%, demonstrating that the working environment provided by TCFHC is favored by most employees.

2020-2023 Employee Turnover



	Employee Turnover Rate	Voluntary Turnover Rate (Excluding Retirement)	Involuntary Turnover Rate	Data Coverage Rate
2023	6.10%	3.33%	0.27%	100%
2022	5.64%	3.01%	0.15%	
2021	5.30%	2.84%	0.15%	
2020	4.53%	2.39%	0.14%	

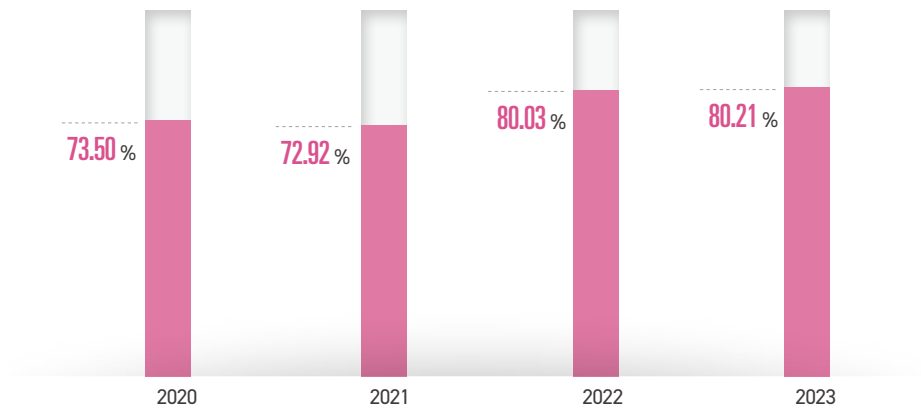
Note: 1. For the turnover rate at each company in the Group, see [Appendix 1](#).
 2. Voluntary turnover: retirement, early retirement, and resignations.
 Involuntary turnover: death and lay off.
 3. Involuntary/voluntary turnover rate = No. of employees who involuntarily/voluntarily resigned/No. of employees at the Group at the end of the year.

In response to the development of sustainable finance and the FinTech trend, besides actively recruiting professional talents in digital technology to improve the Group's digital banking literacy, TCFHC strengthened internal workforce transformation training, improved the bilingual proficiency, nurtured talent to connect with the world, and broadened the international horizon of its people so that employees can directly fill vacancies. These internal and external measures work in tandem to improve the Group's overall competitiveness.

2020-2023 Talent Recruitment Information

Year \ Type of Talent (People)	Global Associate (GA)	Information	Information Security	Digital Finance	Legal Compliance	ESG
2023	45	20	0	0	8	1
2022	51	28	1	1	0	4
2021	47	26	5	6	0	1
2020	41	27	6	0	1	0

2020-2023 Employee Internal Transfer or Promotion Rate



Note: 1. Internal transfer rate refers to the proportion of job vacancies filled by internal staff.

2. Internal transfer rate = No. of employees with transferred positions/No. of vacancies at the end of the Group of the year.

Diverse Learning and Training Opportunities

Employee Education and Training

In order to motivate employees to pursue growth and strengthen professional skills, each year TCFHC Group planned different annual training program that contains various types of professional lectures and training courses either held internally and arranged externally through collaborations with different training institutions, schools, or government agencies. The Group has encouraged staff to learn autonomously or take part in external training courses. The Group also held celebrity speech events from time to time and arranged multiple learning channels hoping to develop employees' professional skills and competency and increase the competitiveness of the entire group.

In recent years, to instill the ideals of corporate sustainability into the corporate culture, the Group has gradually included ESG related topics into its training materials, covering issues such as information security, ethical management, human rights equality, TCFD, sustainable finance, and green operations. TCB allocated in 2023 an annual budget of NT\$7.2 million on sustainable transformation courses such as "Senior Seminar on Fair Customer Treatment Principles", "TCB Health Lectures", "TCB Seminars", "Financial Consultant for Senior Citizens Training Course", "Environmental Sustainability Training Course", and "ESG Educational Training".

In 2023, the average training hours for employees is 68 hours with an average training expense of NT\$2,451, numbers saw a significant uptick from 2022 (52 hours, NT\$2,072).

2023 Group Trainings

	Male		Female		Total
	Managerial Role	Non-managerial Role	Managerial Role	Non-managerial Role	
Total Training Hours	78,425	183,683	109,195	291,657	662,960
No. of People	977	2,964	1,265	4,481	9,687
Average Training Hours	80.27	61.97	86.32	65.09	68.44
Total Training Expense (NT\$)	4,684,260	4,826,110	6,274,776	7,962,093	23,747,239
Average Training Expense (NT\$)	4,795	1,628	4,960	1,777	2,451

TCB continues to provide complete and comprehensive training on 3 main fronts which are new employee training, global associate training, and leadership management training, so that employees are given diverse learning and development opportunities throughout their career. Also, in preparation for global deployment, the expansion of the overseas service network, and the establishment of bilingual branches, TCB is actively cultivating well-rounded international talents and providing support for employees to obtain professional certificates and language proficiency certification in order to cultivate talents with international vision.

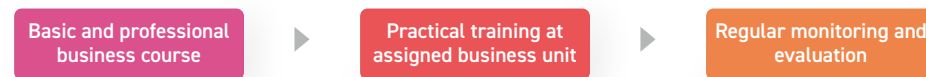
To welcome the wave of digital transformation among banks and FinTech, TCB is also actively implementing innovative talent training plans, organizing the "Innovation Brainstorming Camp" in 2018 and establishing "Innovation LAB" (CoLAB) in 2019, both of which served as important incubators of innovative talents and new FinTech patents.

| New Employees

To help newcomers quickly get the hang of their responsibilities, TCB organizes new employee seminars and ETABS hands-on class for collection and payment at the counter. The training courses gradually increase in difficulty and introduces theories before hands-on practice, covering topics like practical operations, operational risk loss, friendly financial service, information security literacy, ESG issues, and occupational safety education. Practical exercises include identifying subpoenas and balancing loans, as well as operating simple payment transactions. These courses also introduce the ETABS interface and troubleshooting methods. Trainees then practice more complicated cases, then take on more advanced courses on things like time deposits, cash accounts, and checking accounts.

| Global Associate (GA)

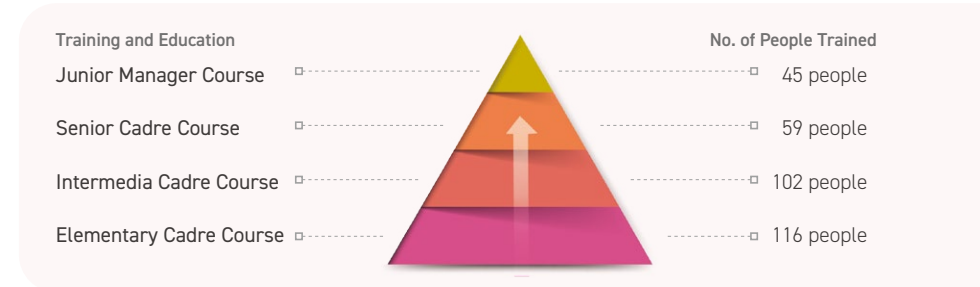
In preparation for global deployment, the Global Associate Training Program is one of TCB's most valued talent training projects. TCB launched the program in 2011, providing solid professional courses and internal rotations that allow trainees to learn core operations to develop international banking talents. The program has trained over 325 global associates. In recent years, TCB has increased the number of recruitments in hopes of recruiting talents with at least a master's degree, intermediate or high English proficiency, and a background in any field of study to revitalize the organization and cultivate talents to succeed international banking business. As of 2023, 198 people (60.92%) have completed training or been assigned to the head office or overseas branches.



| Leadership and Management Training

To expand the talent pool for potential managers, TCB regularly selects outstanding employees for training, organizing elementary, intermediate, and senior manager training courses as well as new manager courses based on the different responsibilities of managers at different levels. In 2023, a total of 322 employees received trainings, with courses that covered business developments and experience sharing by senior and retired officers. Industry experts, scholars and consultants were also invited to speak on diverse topics like "creating highly efficient sales", "core leadership and distribution strategies", and "empowering and instructing team members" in order to boost leadership and commanding capabilities of the management while improving their ability to communicate with team members and customers in order to consolidate sustainable competitiveness.

| 2023 TCB Manager Training



| Company-wide English Courses

In the wave of globalization and internationalization, having international communication skills and a global vision is an important part of improving corporate competitiveness. To follow the government's "Bilingual 2030 Policy" and provide friendly bilingual financial services, TCB is committed to comprehensively improving employee's English listening, speaking, reading and writing, organizing both classroom courses and courses on professional online learning platforms, which have been attended by over 2,000 people.

English Courses	Course Content/Objectives	Number of Participants
English Conversation for Bank Clerks	Professional native speakers were hired to train bank clerks on their speaking ability	A total of 34 classes were available in northern, central, and southern parts of Taiwan, with around 30 participants in each class
English Training Class for Senior Executives	Exploring, analyzing, and discussing topics to boost the business English proficiency of high-ranking supervisors and overseas reserve staff through collaboration with the TAITRA International Trade Institute (ITI)	25 people
ITI Business English Training Class		30 people
FUNDAY Online English Learning Program	Those who have completed 100 hours of online courses within a year and shown improvement in language proficiency exams will receive bonuses at different levels	Over 2,000 people signed up for the courses

Aside from language skills, TCB also actively trains talents in international affairs in order to handle matters of an international bank. TCB also established the interdepartmental task force Co-FAST (Foreign Affair Special Task Force). In the event of international affairs like foreign visitors, international conferences, or overseas roadshows, Co-FAST will be dispatched to effectively improve the quality and quantity of handling international matters with their professional skills and training in international affairs, helping TCB accumulate influence overseas and realize its long-term goal of becoming an international bank.

Innovative Talent Cultivation Programs

In 2019, TCB established "Innovation LAB" (CoLAB), a flexible interdepartmental program that gathers outstanding millennial age global associates from a range of different fields, including talents in overseas branches, wealth management, credit granting, foreign exchange and other business areas, as well as inventors of FinTech patents and those who came up with excellent proposals at TCB's "Innovation Brainstorming Camp". These talents work together to inspire innovative FinTech ideas, seek out opportunities for financial service transformation, and accelerates the quality, quantity, and application of patent applications. CoLAB members are rotated each year to maintain a flexible culture of creative discussion. With CoLAB's cross-department cooperation and enthusiastic spirit, TCB has cultivated a stable innovation DNA culture, cultivated new innovative talents, established core digital transformation capabilities to continue to provide innovative services in the digital ecosystem, and actively applied for financial patents to protect innovative technologies from infringement.

On the other hand, TCB is also actively developing core financial technology talent to reserve colleagues' digital transformation and innovation momentum. The internal training courses for 2023 are as follows:

Training Course	Headcount of Trainees
Robotic Process Automation (RPA) Workshop	1,064
Forum Lectures (Senior Executives)	316
Keynote Discussion (Basic technical knowledge of digital finance, application of AI in finance, trends in data decision-making)	603
Workshop (digital product innovation, digital product marketing)	48
Audio-visual Courses (deployment for metaverse + Web 3.0: Future financial imagination applications, virtual assets, artificial intelligence applications)	8,403

Answering to the FSC's "FinTech Development Roadmap", TCB encourages employees to proactively get certified for their FinTech capabilities. The certification consists of 6 job categories in the banking industry, including business analysis, user interface and experience design, digital marketing, product design, data analysis, and digital compliance and risk control, covering the domains of competence and core skills of FinTech comprehensively. In 2023, the Taiwan Academy of Banking and Finance and the Taiwan Insurance Institute were entrusted to conduct a total of 5 educational and training sessions of the "FinTech Capability Certification Class", with a headcount of 100 attendees and 3,100 hours completed in total. The certification pass rate was nearly 96%, demonstrating the Group's commitment to develop talent and proactively seek digital transformation.

Employee Development Program

In addition to providing employees with basic job training, language, and mandatory, compliance, or basic occupational health and safety training programs, the Group also plans special employee development plans in recent years, hoping to improve and develop employees' professional skills in order to improve the overall operating performance.

Item	Description	Business Benefits of the Program	Quantitative Impact of Business Benefits	Percentage of FTEs Participating in the Program
ESG Nurturing Program	Talent is the key to the sustainable operation. The Group has implanted the concept of sustainable operation into the corporate culture, and organized education and training, lectures, and drills on ESG-related topics.	<ul style="list-style-type: none"> Organize relevant education training, drills and ESG lectures. Complete the "Social Engineering Email Attack Drill" to ensure information security. The email opening rate of TCB and TCS and TCBF should be less than 2.5%. 	<ul style="list-style-type: none"> TCB allocated a budget of NT\$7.2 million to conduct sustainable transformation courses such as "Seminars on the Principle of Fair Hospitality", "TCB Health Lectures", "TCB Seminars", "Financial Consultant for Senior Citizens Training Course", "Environmental Sustainability Training" and "ESG Trainings". ESG related education and training courses covered information security, ethical management, personal data protection, principles of fair hospitality, etc., and the training completion rate was 100%. Completed the group-wide "Social Engineering Email Attack Drill", with an open rate of 0.17% for TCB, 1.17% for TCS and 1.64% for TCBF. 	100%

Item	Description	Business Benefits of the Program	Quantitative Impact of Business Benefits	Percentage of FTEs Participating in the Program
Senior Management Development Program	Help junior executives shorten the painful period of becoming senior executives, and share experiences by current and retired managers to replicate successful models for business expansion.	<ul style="list-style-type: none"> Improve the promotion rate and reduce the shock of retirement tide. From 2018 to 2023, there were 404 manager associates, and 162 were actually appointed. 	<ul style="list-style-type: none"> Manager associate's turnover rate from 2018 ~ 2023 is 0%. 	0.69%
FinTech Talent Cultivation Program	In response to the development and challenges of the FinTech era, and cooperate with the FSC to implement the "FinTech Capability Certification" mechanism, cultivate core talents with FinTech capabilities, and enhance employees' innovative thinking and digital capabilities while fulfilling the Company's talent needs.	<ul style="list-style-type: none"> Strengthen innovative capability and develop innovative management mechanism. Actively respond to market trends and business needs to achieve the goal of digital transformation. 	<ul style="list-style-type: none"> As of the end of 2023, 802 new patents applications have been filed, and 614 new patents have been obtained. In particular, CoLAB applied for 140 patents and among them, 24 invention patents, 88 novelty patents have been approved and are currently under review while additional 2 novelty patents had been landed. For the remainder, consultations with patent agencies are ongoing regarding their applications. 	16.25%
Salesperson Training Program	Weekly courses on Taiwan stocks, economic situation, treat customers fairly and marketing skills are arranged to strengthen the training of frontline salespersons (including managers).	<ul style="list-style-type: none"> The revenue from sub-brokerage has significantly increased. The number of futures trading lots has increased. Customer complaints decreased compared with the previous year; customer satisfaction increased. Over 70% of employees hold anti-money laundering certifications. 	<ul style="list-style-type: none"> Sales from sub-brokerage came to NT\$19.816 billion and the relative income climbed relatively. 100% customer satisfaction. A total of 198 colleagues in the branch obtained anti-money laundering certifications. 	34.51%

In addition, in order to assist the employees of the Group in accumulating future wealth and planning their retirement, employees are supported in preparing for their retirement, which is also an act of the Group to take care of its people. The banking subsidiary began its employee stock ownership trust in 2020 and employee stock ownership trust was approved also in 2023 for TCFHC and other subsidiaries. The employee stock ownership trust was fully implemented from January 2024 to provide financial support for retirement or termination of employment relationships. Employees who have ended their careers can receive back the stock subscription funds and interest earned during their tenure according to conditions to protect their retirement life and facilitate their career planning transition.

Performance Evaluation

To inspire employees to unleash their potential and reinforce the organization's operational efficiency, the Group has set up a fair evaluation and rewarding system, organizing both regular and irregular performance evaluations according to different duty natures. The performance evaluation results are then taken as a reference for future improvement, reward, or punishment. In recent years, the performance assessment system was gradually combined with the SDGs strengthening the Group's sustainable governance. In 2023, 102.94% of employees in managerial roles and 96.25% of employees in non-managerial roles had gone through performance evaluation (the number of employees evaluated at TCB includes retirees, so the number at the end of the year is lower than the actual number of employees evaluated).

Management by Objectives

- TCFHC conducts annual business performance assessments for each subsidiary. In addition to financial and business indicators, the assessment targets also include management indicators to strengthen risk management and internal control. "Excellent deeds", "important operating policy implementation" and "ESG material topics implementation results" are included as bonus items. Through the combination of performance assessments and SDGs, the Group's sustainable governance will be strengthened, and employees' awareness of the Company's sustainable development will be enhanced.
- TCB branches hold a weekly morning (afternoon) meeting and other regular business meetings in which supervisors and employees discuss and review business performance together, giving recognition to those who hit their target and encouraging employees to do even better, and offering counseling for those who did not, establishing and following up on improvement plans.
- BNP TCB Life has supervisors and employees conduct annual performance evaluation together and establish goals for the coming year, stipulating that supervisors at all levels must at the least communicate and reach an agreement with employees during midterm and end-of-term interviews. BNP TCB Life hopes these regular talks will give employees a better understanding of their job performance, the goals and key tasks expected of them going forward, how to continue improving, and future development plans.
- TCS conducts monthly performance reviews of brokerage service personnel in the probationary period of their employment, offering communication and counseling and filling out the "brokerage service personnel counseling interview record form" as a reference for their probation assessment every month. For new traders in the self-operated department, in addition to setting performance appraisal goals during the probation period, the department head will also ask those who have lost trading to submit performance reviews and improvement reports after settling the trader's performance every half year, and new traders will be interviewed by the supervisor on a monthly basis to fill in the performance coaching interview record form after coaching.

Multidimensional Performance Appraisal

To encourage employees' communication and interaction, improve team cohesion and efficiency, thereby promoting organizational reform and development, TCB hopes to conduct a fair and impartial evaluation of all employees with a 360-degree perspective. Since 2022, customer service scoring devices have been added to branches to quantify evaluation standards. In addition to optimizing customer service experience, relevant suggestions can also be used as a reference for employee performance evaluations. From 2023 onwards, the usual evaluation of employees gradually includes evaluations from indirect supervisors and self-evaluations, as well as employees' evaluation of unit supervisors with indicators, in hopes of comprehensively measuring each employee's personal morality, work performance, absence rate, professional knowledge, and talent potential, as well as how well they follow the principle of treating customers fairly and implement ESG, etc. The annual performance evaluation results serve as a foundation for the following year's target setting, and will affect future promotions, salary raises, annual bonuses, and remuneration.

Team-based Performance Appraisal

- The primary goal of BNP TCB Life performance evaluation is "departmental goal" while the secondary one is the "corporate performance goal" (the target premium of the new contract of the Company) and the end goal combines corporate culture (the respective indicators that shape corporate culture). In other words, all goal setting considers employees as members of the team and is not just an assessment of individuals.
- TCB holds performance annual evaluations for business and management units, at beginning of each year, establishing each year's performance evaluation targets based on the scale of the unit and the previous year's performance, and including issues like services quality and handling customer complaints into management performance evaluations to improve the quality and efficiency with which each unit handles customer complaints, thereby preventing repeated complaints. The performance evaluation of management units also includes opinions of business units, which will conduct a comprehensive assessment of the management unit's understanding of the business, the tone and politeness of personnel, efficiency, problem-solving skills, and overall satisfaction. This assessment will be included in the "service quality" criteria of the management unit's annual performance evaluation, so that feedback and opinions from business units can strengthen the communication skills and service quality of management units. At the end of each year, evaluation results will determine the performance evaluation ranking of business units and management units, thereby affecting the performance bonus of the employees of each unit.

Agile Conversations

TCB branches hold a weekly morning (afternoon) meeting and other regular business meetings in which supervisors and employees discuss and review business performance together, manage employee performance and understand job issues through conversations and ongoing feedback, giving recognition to those who hit their target and encouraging employees to do even better. In case of special circumstances, supervisors will communicate with employees instantly, in order to achieve work goals and enhance employees' solidarity.

Employee Performance Assessment Combined with SDGs

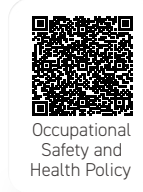


TCFHC Group has included corporate governance, operational management, green environmental protection, and corporate social responsibility as indicators for each subsidiary's annual business performance evaluation. Each subsidiary will closely link the spirit of SDGs. When formulating companies' business policies in early 2023, the business objectives of each department are set according to the spirit of sustainable development to evaluate their annual operational performance results. The employee's year-end performance is evaluated while linked with performance bonuses to motivate employees to implement SDGs.

6.3 Occupational Safety and Health GRI 2-23、2-24

Occupational Safety and Health Management System

The Group is committed to providing a safe and healthy environment for employees, contractors, buyers, and customers, with the "Safety and Health Work Code of Conduct" and "Occupational Safety and Health Policy" in place. The Group promotes occupational safety and health based on the 4 main themes of "employee care, disaster prevention, health promotion, and full participation". The "**Occupational Safety and Health Policy**" applies to the Group's employees, clients, contractors and providers, regulating various operation standards and principles of handling emergencies that is related to occupational safety and health while promising that TCFHC Group will abide by the occupational health and safety regulations, regulate quantitative targets, and continuously improve occupational health and safety performance. The "Occupational Safety and Health Committee" is held regularly every quarter, consisting of 11 committee members including employers, 4 labor representatives, and unit supervisors. The labor participation rate reaches more than 1/3. Through health management, health promotion, safety maintenance management, and occupational safety in terms of health supervision and inspection, we track and manage the implementation of issues related to employee health concerns and working environment. Every quarter, the "Occupational Safety and Health Implementation Work Report" is reviewed and approved by the "Occupational Safety and Health Committee" and submitted to the Board of Directors for reference.



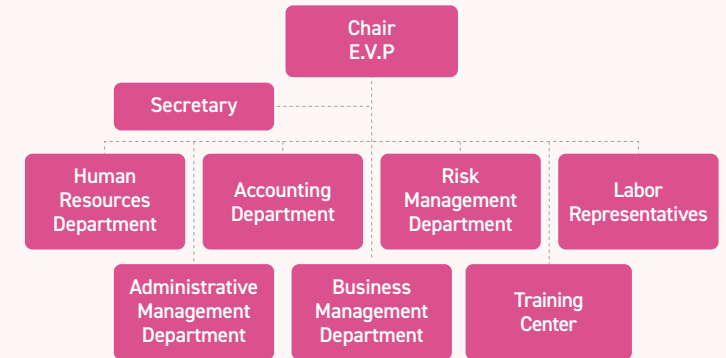
After introducing the "ISO 45001 Occupational Health and Safety Management Systems" in 2020, TCFHC Group established the "Occupational Health and Safety Management Implementation Task Force", formulating a general management plan for occupational safety, health, and safety maintenance, aiming at strengthening occupational safety and health management and safety and health education and training. We implemented automatic safety and health inspections and other safety and health promotion matters and set priorities and action plans that should be executed annually. The "Occupational Health and Safety Management Implementation Task Force" is convened by the executive vice president. The E.V.P. is mainly responsible for the implementation and supervision of the occupational safety and health management system, as well as managing the effectiveness of the operation of the system. In order to ensure the occupational safety and health policy goals and continuously maintain the effectiveness of "ISO 45001", internal audit operations are carried out regularly, and 30 employees have obtained internal auditor qualification certificates.

In 2022, TCB introduced the Ministry of Labor's "Taiwan Occupational Safety and Health Management Systems" (TOSHMS), aiming to create a comfortable and safe working environment with zero workplace accidents and low risks through the internationally and nationally certified PDCA (Plan-Do-Check-Act) measures. Each year, TCB conducts an internal audit to review, manage, and correct the overall workplace environment and hires a third-party institution to verify the audit to maintain the system's effectiveness. In addition, the Group has included occupational safety-related regulations in the supplier's undertaking on "Supplier CSR and Environmental Sustainability Clauses", requiring suppliers also to implement occupational safety and health.

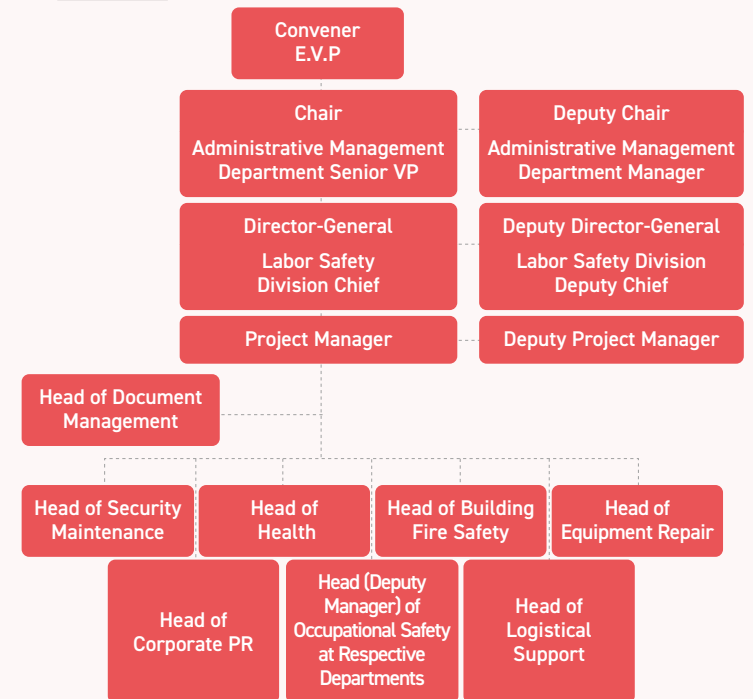
In honor of the April 28th World Day for Safety and Health at Work of 2023, the "Occupational Safety and Health Week Event" over a period of 5 days was held for the first time. Led by the highest-ranking supervisor, TCB declared a shared commitment to creating a safe and healthy workplace through a series of courses such as Workplace Safety Workshop, Health Workshop, and CPR+AED rescue training.



TCB Occupational Safety and Health Committee



TCB Occupational Health and Safety Management Implementation Task Force

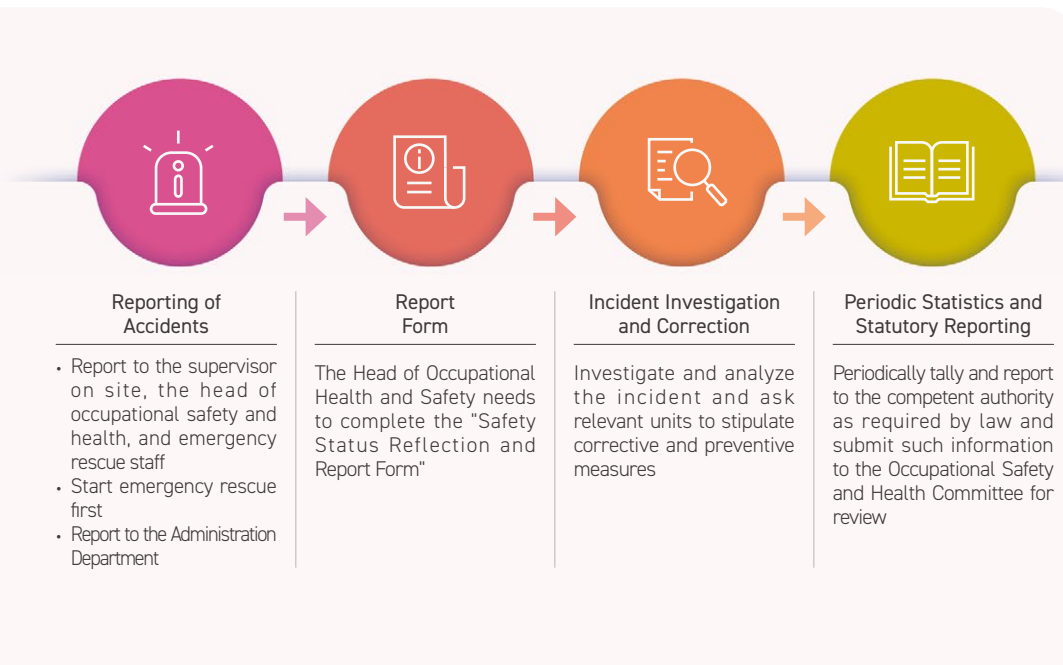


Creating a Healthy Workplace

In order to ensure that all employees are fully informed with occupational safety and health regulations and the Group's safety maintenance operational mechanism, TCFHC Group has formulated "Guidelines for Safety and Sanitation Works" and "Guidelines for Handling Emergent Injury and Illness" to regulate operational standards on occupational safety and sanitation and principles of handling emergent accidents. Meanwhile, we implement regular occupational disaster online reporting operations according to the law to stay abreast of employees' health and safety status and reduce the recurrence of accidents.

"Regulations Governing Emergency and Crisis Management" is formulated as the basis for handling emergencies. This would effectively control TCFHC Group's risks and damages arisen from these emergencies, stabilize the operation of the company and enable each unit to coordinate with each other and handle the aftermath rapidly. The headquarter, each regional center, and each business unit have formed "emergency response teams" to assist each unit in handling various hazards and emergencies. In addition, when contractors are disabled due to injuries or passed away due to incidents, the supervisor of the unit responsible for the construction shall report in accordance with the regulations.

Flowchart for Reporting, Investigating, and Managing Accidents



To encourage employees to monitor and manage their own health, TCB has been actively providing healthcare information, health promotion, and consultation services for employees suffering from diseases and the top 10 irregular findings of health examination. To support the "Occupational Safety and Health Act", TCB has rolled out 4 different hazard prevention measures including "ergonomic hazard prevent program", "maternity health protection at the workplace", "prevention of overwork related illness", and "prevention of unlawful infringement while performing duties" to ensure continuing supports for employee's healthcare.

TCB provides an excellent maternity subsidy program and continuous care for female colleagues who are pregnant or within 1 year after delivery. The occupational health and safety manager will conduct a risk assessment of the work environment, while doctors providing on-site services will conduct a risk assessment based on the working and health conditions of pregnant employees. In 2023, 35 employees received these outreach interviews.

Once age distribution and health exam results were analyzed, the "TCB Health Lectures" were held to focus on 3 health-specific topics, namely "Post-pandemic Era - Food Therapy and Care for Old People", "Comprehensive Analysis of Health Exam Values", and "How to Exercise to be Optimally fit and Reduce the Most Fat!" and help employees deal with health changes in the post-pandemic era. Meanwhile, eating smartly and exercising happily to get rid of the metabolic syndrome were promoted to realize a healthy life. A headcount of 16,192 people in total took part.

All subsidiaries of TCFHC Group have passed the Badge of Accredited "Healthy Workplace-Health Promotion" from the Health Promotion Administration. Also, to actively promote the health of all employees, TCB is planning health promotion campaigns on proper posture, healthy eating, chronic illness prevention, and mindfulness-based stress relief at 65 branches in 2023. TCB also continues to provide maternal care and breastfeeding rooms for female employees, receiving "Excellent Breastfeeding Room Certification" from the Taipei City Government.



Occupational Health and Safety Training

Every TCB unit has an occupational health and safety supervisor, fire safety management personnel, and first-aid personnel. In addition to drills mandated by the competent authority, TCB also holds regular employee training to improve health and safety knowledge and skills.

Although the Group's work environment is not required to install AEDs, TCB nevertheless provides AED equipment at 14 buildings to protect employees' health and create a safe environment. It also provides regular CPR+AED training and there are 11 buildings that have obtained "AED safe workplace" certification.

Content of Training	Training Hours in 2023	Number of Training or Participants in 2023
Accident Safety Drills	2,430 hours	810 times
Safety Maintenance and Occupational Safety Operation Lecture	16,906 hours	16,906 people

Occupational Safety and Health Indicators

2020-2023 Absentee Rate

	2020	2021	2022	2023
Total Days of Absence ^{Note 1}	8,634	8,336	7,177	6,724
Absentee Rate ^{Note 2}	0.38%	0.36%	0.31%	0.29%
Employee Coverage Rate	100%			

Targets for 2023 ^{Note 3}

The annual target absentee rate is **0.35%** Achieved

Note: 1. Total days of absence refers to the total days of sick leave or work-related injury leave taken by the Group's employee that year.

2. Absentee rate = (Total days of absence / total working days) X 100%.

3. The target absentee rate of 2023 is set based on the actual absenteeism rate and target of industry peers in 2022.

4. Since 2022, the statistical data extends to TCFHC Group as a whole, and the data from 2020 to 2021 is adjusted retrospectively.

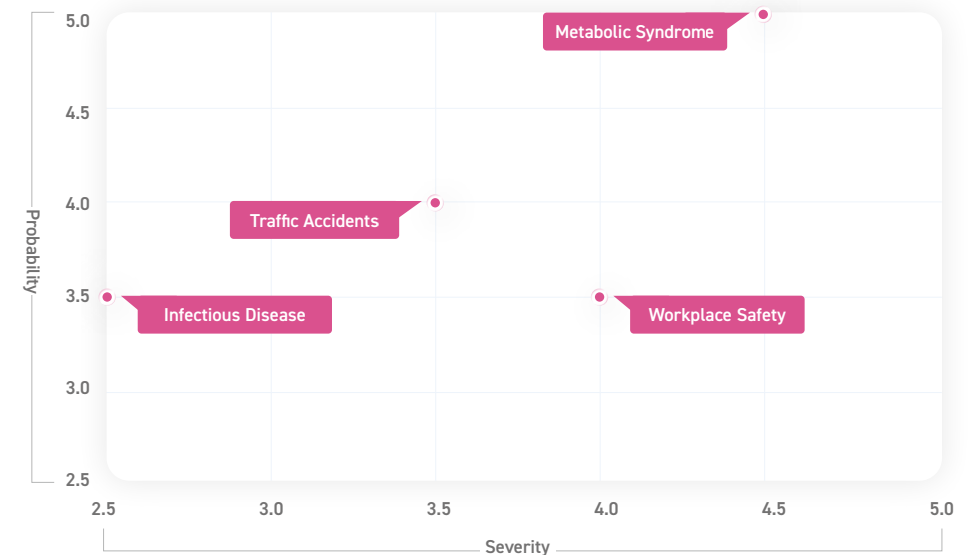
Occupational Safety and Health Risk Assessment

TCB plans new annual health management plans and activities based on indicators such as employee health inspection, the effectiveness of health management measures, and epidemiology, with activities like onsite doctor services, health lectures on a diverse array of topics, and promotion of healthy exercise. TCB implements risk assessment based on safety status response notification events and hazard identification statistics, formulates target management plans for preventing metabolic syndrome, preventing employee commuting accidents, and improving workplace safety, etc., and sets control measures for risk issues and reviews implementation results.

Based on the 2023 health risk assessment, 4 issues with medium to high incidence/impact levels were listed as health risks that need to be managed, among which metabolic syndrome, traffic accidents, infectious diseases and workplace safety were risk factors. TCB organized weight loss activities and 150 health promotion tours for those with high risk levels to effectively reduce the frequency of employee health hazards and improve organizational effectiveness.



Occupational Safety and Health Risk Matrix



Control Measures for Occupational Safety and Health Risk Issues

Level of Influence	Risk Issues (Priority Matters)	Control Measures (Action Plan)	2023 Implementation Result	2024-2028 Quantitative Targets
High Risk	Metabolic Syndrome	<ul style="list-style-type: none"> Build correct dietary ideas among employees. Issue promotional materials on the occupational health and safety academy. 	<ul style="list-style-type: none"> Held "TCB Health Lectures" that center on dietary control, which were attended by a headcount of up to 16,192 people. Held the "Body Contouring and Weight Loss for the Elderly" campaign that lasted for 8 weeks; the total weight lost came to 212.6 kg by analyzing the values obtained from health exams and under the guidance of a sport trainer. Held the "Build Muscle and Lose Fat" health communication circuit tour consisting of 150 sessions, which were attended by 3,255 people in total. Issued 14 promotional materials on the occupational health and safety academy, with a 100% browsing rate. 	<ul style="list-style-type: none"> Organize "TCB Health Lectures", with 2,000 people attending every year. Issued at least 12 promotional materials on the occupational health and safety academy every year.
Medium Risk	Traffic Accidents	<ul style="list-style-type: none"> Organize "Occupational Health and Safety Lectures", with 500 people attending. Organize 96 on-site health services. Issued promotional materials on the occupational health and safety academy. 	<ul style="list-style-type: none"> Organized "Occupational Health and Safety Lectures", with 16,902 people attending. A total of 40 traffic injuries when commuted to and from work. Organized 96 on-site health services, with 715 people attending. Issued 14 promotional materials on the occupational health and safety academy, with a 100% browsing rate. 	<ul style="list-style-type: none"> Organize "Occupational Health and Safety Lectures", with 2,000 people attending every year. Organize 96 on-site health services every year.
	Infectious Disease	<ul style="list-style-type: none"> At least 71% of the employees received the flu vaccine. Organize 2 sessions of influenza vaccination in the workplace. Obtain the "Corporate Epidemic Prevention Alliance" symbol. 	<ul style="list-style-type: none"> Up to 73% of the employees received the flu vaccine. TCB organized 2 out-of-pocket flu vaccine stations. BNP TCB Life invited doctors to give flu vaccines on the spot. A total of 446 people from the Group participated. TCB obtained the "Corporate Epidemic Prevention Alliance" certification of the Taiwan Vaccine Promotion Society (TIVS) and has been honored by the "Disease Control Gold Award" for 3 years in a row. 	<ul style="list-style-type: none"> At least 71% of the employees receive the flu vaccine. Organize 2 sessions of influenza vaccination in the workplace. Obtain the "Corporate Epidemic Prevention Alliance" symbol.

Level of Influence	Risk Issues (Priority Matters)	Control Measures (Action Plan)	2023 Implementation Result	2024-2028 Quantitative Targets
Medium Risk	Workplace Safety	<ul style="list-style-type: none"> Pass the re-verification audit for the "ISO 45001 Occupational Safety and Health Management System" and "TOSHMS Taiwan Occupational Safety and Health Management System". The 3 certificate systems for occupational safety and health business supervisor, fire administrator, and first-aid personnel are implemented. Conduct indoor carbon dioxide concentration tests, illumination monitoring, drinking water quality tests, and regular maintenance and inspection of high-voltage electrical equipment. Hire full-time registered nurses and work with doctors to organize on-site health service and consultation services and health promotion campaigns. Supervise and examine businesses regarding occupational health, safety, and safety maintenance. Issue promotional materials on the occupational health and safety academy. 	<ul style="list-style-type: none"> TCB passed the re-verification audit for the "ISO 45001 Occupational Safety and Sanitation Management System" and "TOSHMS Taiwan Occupational Safety and Health Management System". 100% holding rate of 3 certificates in TCB. The annual air quality, illuminance, and drinking water quality are tested every year and all met standards. TCB has implemented 4 hazard prevention plans (ergonomic, abnormal workload, maternal, unlawful infringement) for 100% of the implement ratio. TCB organized 2 sessions of CPR+AED first aid training activities, with 83 participants. 11 building units obtained the "AED safe workplace certification" badge. Supervised and examined 270 units regarding occupational safety, health, and safety maintenance, and the inspection coverage rate has reached 100%. Issued 14 promotional materials on the occupational health and safety academy, with a 100% browsing rate. 	<ul style="list-style-type: none"> Pass the re-verification audit for the "ISO 45001 Occupational Safety and Health Management System" and "TOSHMS Taiwan Occupational Safety and Health Management System". 100% holding rate of 3 certificates in TCB. The "AED Safe Venue" certification at 11 buildings remained valid. Supervise and examine 270 units regarding occupational safety, health, and safety maintenance, and the inspection coverage rate has reached 100%.

| Employee Assistance Program (EAP)

BNP TCB Life Insurance began introducing the employee assistance program (EAP) in 2017, helping employees to relieve work-related stress and handle problems at work and in life. The program provides comprehensive physical and mental balance as well as psychological counselling services through phone calls, letters, or face-to-face consultation, helping employees achieve work life balance. Topics of consultation include parent-child communication, affection and relationship, family and partner, pressure from work. In 2023, an average of 3 employees utilized these services each month.

To help employees relieve stress, TCB conduct regular physical and mental health promotion courses, inviting professional therapists or psychiatrists to talk about stress relief and mindfulness skills. It also provides a "List of Mental Health Services Provided by TCB or Available in Taiwan" for employees with counseling needs to utilize multiple therapy channels. TCB also regularly publishes "Occupational Safety and Health Academy" literature to promote the importance of physical and mental health balance and help employees become more attuned to the physical and mental health of their fellow colleagues.






6.4 Human Rights and Equality GRI 2-23、2-24、2-30、406-1、407-1、409-1

Human Rights Policy

TCFHC follows applicable requirements in the "UN Universal Declaration of Human Rights", "The United Nations Global Compact", and "International Labor Convention" while defining its human rights policy that is applicable to subsidiaries throughout the Group to express its duties in the protection and fulfillment of the respect and protection available for human rights. CEO signed our human rights statement on behalf of all employees, declaring that the Company supports and abides by human rights policies, and expects partners including suppliers and customers to jointly raise awareness of human rights issues.

TCFHC Human Rights Policy

 <p>Labor-Management Harmony</p>	<p>The Company respects employees' freedom of association and the right to collective bargaining and regularly convenes employer-employee meetings to establish a communication platform for employers and employees to protect and enhance employee rights.</p>
 <p>Privacy</p>	<p>The Company protects the privacy of employees, customers, and other stakeholders, and ensures that the collection, handling, and use of personal information are compliant with laws and regulations.</p>
 <p>Advocacy</p>	<p>In addition to actively implementing CSR and human rights protection policies and applying the same standards to the partners, including suppliers and customers, the Company endeavors to pay more attention to human rights issues and places high value on relevant risk management.</p>
 <p>Abide by Labor Laws</p>	<p>TCFHC strictly abides by local labor-related regulations and the "Gender Equality in Employment Act" as well as prohibits human trafficking, hiring child labor, any form of discrimination, and any business activities that involve violation of freedom of association or any forced labor.</p>
 <p>Diversity and Fairness</p>	<p>The Company implements diversity in the workplace and does not allow any differentiated treatment or any form of discrimination to occur due to race, social class, language, thought, religion, political party, nationality, birthplace, gender, sexual orientation, age, marital status, appearances, facial features, disabilities, horoscope, blood type, or past membership in the labor union. However, this is not limited to those based on seniority, rewards and punishments, performance or other justifiable reasons that are not based on gender or sexual orientation. The Company endeavors to create a harassment-free workplace environment where dignity, safety, equality is embraced.</p>
 <p>Health and Safety</p>	<p>The Company adheres to occupational safety and health-related laws and regulations, continues to improve workplace safety and health, reduces the risks of occupational hazard, and provides employees with a safe, healthy, and clean workplace environment.</p>

For the sake of eliminating gender discrimination and contributing to substantive gender equality, TCFHC is devoted to the promotion of gender equality policies. Gender equality and human rights education and training courses are planned for employees (including newcomers) on a yearly basis in order to boost awareness of gender equality. In 2023, a total of 1,588 people throughout the Group attended the courses, including 383 trainees from TCB. In addition, internal management and complaint resolution are key parts of the training courses for management, so as to improve supervisors' ability to communicate and handle problems. TCB is committed to constructing a gender-friendly workplace, establishing many leave and benefit systems that are more favorable than statutory requirements (see [Maternity Protection Measures Superior to Statutory Requirements](#)). In 2023, the Company participated in the Bloomberg GEI assessment for the first time, gaining the index's recognition, which demonstrates how the Company's active efforts to implement gender equality policies have gained international recognition.

TCFHC Group has zero-tolerance towards both sexual and non-sexual harassment. To prevent the occurrence of sexual harassment and protect the rights and interests of victims, the Company established "Workplace Sexual Harassment Prevention Policies" that strictly prohibit sexual harassment conduct in the workplace. Violators will be penalized according to the severity of the situation. In addition to posting anti-sexual harassment literature, the Company also established the "Sexual Harassment Prevention and Complaints Review Committee", which consist of external experts who will professionally and impartially handle reports of sexual harassment. The Company also established a sexual harassment complaints hotline, establishing an open reporting channel that will handle employee complaints with confidentiality, allowing employees to safely work in a workplace environment free of sexual harassment, ensuring diversity and fairness in the workplace.

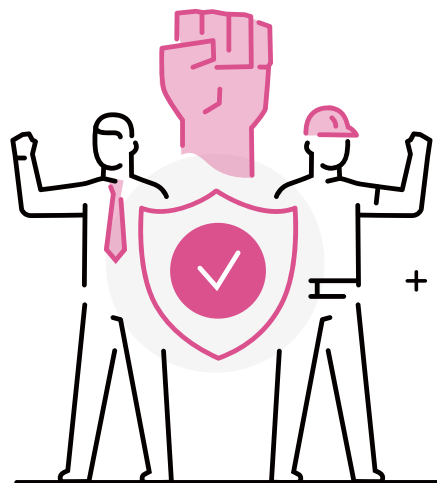
In 2023, there was no human rights-related complaints such as sexual harassment incidents, penalties caused by violations of the "Gender Equality at Work Act", child labor, gender or sexual orientation discrimination, or violations of freedom of association in the Group. However, there was 1 case that Company was fined by the labor authorities. The reason was a worker worked for more than 6 consecutive days, and the Company did not give him 1 day off as a holiday in every 7 days. In order to protect the rights of workers, besides paid to the said worker in terms of applicable service compensations immediately, the Group has reinforced communication on applicable labor laws and strengthened attendance management measures. After this case, employees are asked to get the approval of working on the days off in advance to prevent against recurrence.

The Group complies with international human rights conventions and formulates a corporate code of conduct. There are no operating locations or suppliers with significant risks of forced or compulsory labor incidents.

Human Rights Due Diligence

To implement human rights risk management, the Company not only established a group "Human Rights Policy", but also continuously follows up on recent human rights cases and analyzes prominent international human rights issues. Every year, important human rights issues that are highly relevant to the Company are regularly selected as the main assessment items for implementing human rights due diligence on employees and key suppliers ^{Note}, so as to systematic periodic review human rights risk issues and formulate mitigation and compensation measures.

Note: For the key supplier human rights due diligence results, refer to the chapter [Environmental Sustainability](#) for details.



Human Rights Due Diligence Process

In order to fully implements its human rights policy, TCFHC compiles potential and possible human rights issues during corporate operational processes through internal and external communication channels and the development trend of human rights issues at home and abroad. The frequency of occurrence and impact of the risk of issues related to human rights is assessed through questionnaires, which will serve as a reference for TCFHC to formulate business policies and welfare measures in the future.



Identification of Human Rights Impact

Survey Scope	Potential Human Rights Issues	Groups at risk of human rights issues
<ul style="list-style-type: none"> • Own operations • Value chain • New business relationship ^{Note} 	<ul style="list-style-type: none"> • Diversity in the workplace and gender equality (including equal remuneration and sexual harassment) • Maternal health protection • Work overtime • Human trafficking • Forced labor (including child labor) • Occupational health and safety • Discrimination • Freedom of association • Privacy • The right to collective bargaining 	<ul style="list-style-type: none"> • Employees • Female • Indigenous people • Disabled employees • Children • Local Communities • Migrant workers • Contracted third-party labors

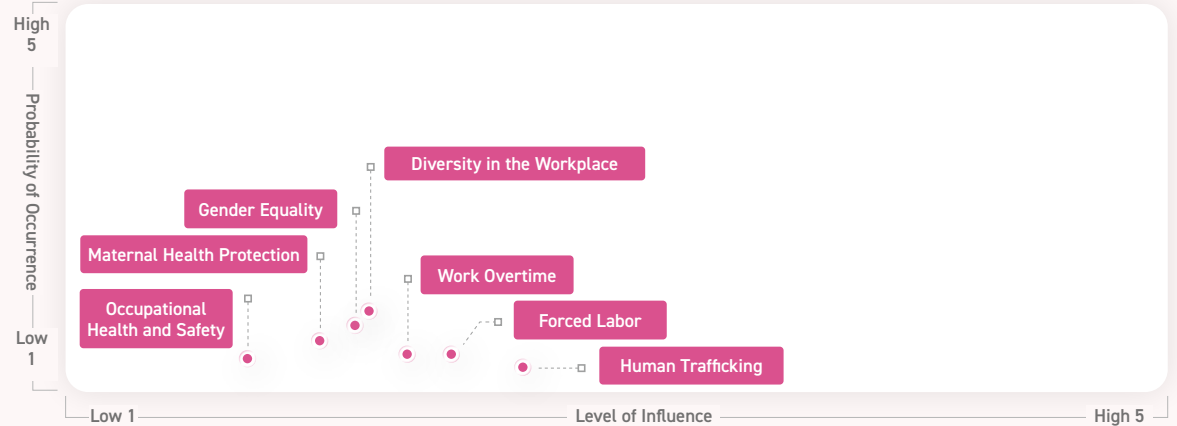
Note: The Group did not have any new business relationship (such as mergers or joint ventures) in 2023, and therefore did not conduct human rights due diligence in this respect.

Human Rights Risk Assessment

In 2023, TCFHC Group conducted an "employee" human rights due diligence survey, focusing on 7 major human rights issues, namely, "diversity in the workplace", "gender equality", "maternal health protection", "work overtime", "human trafficking", "forced labor", and "occupational health and safety", so as to compiled 27 potential human rights risk issues. The survey was conducted through questionnaires on the probability of occurrence of these risks and the severity of impact if they occur, to fully understand the possible impact of human rights risk issues, so as to plan risk mitigation measures as soon as possible.

For the survey, 9,530 questionnaires were given to employees throughout the Group, and 8,650 valid completed questionnaires were collected, resulting in a completion rate of 90.76%. The survey results showed that the occurrence rate and impact of human rights risks were both at a medium to low level. This demonstrates that the Company's measures to prevent human rights risks is recognized by most employees.

Risk Matrix of Employee Human Rights Issue



TCFHC formulates risk mitigation measures based on potential human rights risk issues with higher risks as identified by the human rights due diligence are shown in the table below.

Type of Stakeholder / Applicable Population	Key Topics	Risk Identification Ratio	Total Risk Ratio	Risk Mitigation Measures	Mitigation Ratio	Implementation Outcome
Employee/ Taiwanese/ Indigenous People (all including people with disabilities)	Workplace Diversity	8.19%	29.40%	<ul style="list-style-type: none"> In accordance with Article 38 of the "People with Disabilities Rights Protection Act", a sufficient number of people with disabilities are employed. Establish an accessible work environment for people with disabilities. 	100%	<ul style="list-style-type: none"> Hire people with disabilities according to regulations. In 2023, the Company participated in the Bloomberg GEI Index for the 1st time and was selected.
	Gender Equality (Sexual Harassment)	7.09%		<ul style="list-style-type: none"> Comply with requirements of the "Act of Gender Equality in Employment" and others and strive to protect gender equality in work rights and promote substantive equality in gender status. 		<ul style="list-style-type: none"> New employees will be paid according to their job ranking upon employment and will not be treated differently based on gender or sexual orientation.
	Maternal Health Protection	4.94%		<ul style="list-style-type: none"> Provide proper work environment or identification and evaluation of workplace hazards to strengthen workplace care and outreach in accordance with the maternal health protection plan. Through regular on-site health inspections, have doctors to evaluate the risk of workplace hazards and employee health. In 2023, 35 pregnant employees received relevant counseling and pregnancy-related health education materials. Provide maternity leave, pregnancy checkup leave, and family care leave that are superior to regulatory standards. Employees who qualify for childcare unpaid leave may apply for unpaid leave. 		<ul style="list-style-type: none"> Continue to implement maternal protection measures (such as various leave superior to statutory requirements, childbirth subsidies, and daycare measures). In 2023, the TCB headquarters office building received the "Excellent Breastfeeding Room Certification" from the Taipei City Government for the 3rd time in 2023.

Type of Stakeholder / Applicable Population	Key Topics	Risk Identification Ratio	Total Risk Ratio	Risk Mitigation Measures	Mitigation Ratio	Implementation Outcome
Employee/ Taiwanese/ Indigenous People (all including people with disabilities)	Work Overtime	3.49%	29.40%	<ul style="list-style-type: none"> Establish leave and overtime related measures according to the "Labor Standards Act". The attendance system includes the notification and "annual leave pre-scheduling" functions to encourage employees to plan adequate vacation for their mental and physical health and promote work-life balance. Pay attention to units with abnormal overtime hours and have supervisors inquire employees about their workload and reasons for working overtime, making adjustments to their responsibilities or helping them improve work efficiency. 	100%	<ul style="list-style-type: none"> There was 1 incident of a worker having worked for more than 6 days in a row, which was in violation of a routine day off included in a 7-day working period, and was fined by the labor competent authority. After the incident, for the sake of protecting the rights of workers, besides immediate payment to the said worker in terms of applicable service compensations, the Group has reinforced communication on applicable labor laws and strengthened attendance management measures. Employees are asked apply for approval in advance in order to work on their days off and labor laws shall be precisely followed in order to prevent against recurrence.
	Human Trafficking	0.78%		<ul style="list-style-type: none"> Applicable requirements of the "Human Trafficking Prevention Act" are precisely followed. Ensure that all workers are hired directly or through legitimate manpower dispatch service providers and no violation of employees' will in terms of having them to engage in work that is obviously non-comparable between the extent of labor and the compensation provided is involved. Ensure that none of the operational activities involve sexual transactions or applicable illegal items such as removal of human organs. 		<ul style="list-style-type: none"> There were no cases of human trafficking violations in 2023.
	Forced Labor (including child labor)	1.96%		<ul style="list-style-type: none"> In compliance with the "Employment Service Act", honestly disclose information in recruitment advertisements, does not keep applicants' ID documents, and does not withhold property from applicants nor collect deposits. Provide new employee with a formal appointment notice clearly stipulating the appointment conditions for the employee to consent to. Check documents of applicants before hiring and prohibit hiring those under the age of 16. Does not use any non-voluntary labor and comply with relevant labor regulations. 		<ul style="list-style-type: none"> There were no cases of forced labor violations in 2023.
	Occupational Health and Safety	2.95%		<ul style="list-style-type: none"> To protect employees' health and safety, the Company has formulated various occupational health and safety standards and regulations to prevent occupational disasters. Regularly hold "Occupational Safety and Sanitation Affairs Class" and "Safety Protection Drill", and conduct on-site inspection on all of the safety operations. Set up the "Occupational Safety and Health Committee" and hold regular meetings in accordance with regulations to facilitate discussions between labor and management on relevant occupational safety and health management plans, education and training, health and safety audits, health promotion and disease prevention, and other issues that can improve the health and safety of employees. 		<ul style="list-style-type: none"> For occupational disasters that actually occurred, report the matter according to regulations and provide occupational injury leave depending on the severity of the situation. In 2023, 80% of occupational hazards reported occurred during employees' commute to and from work. The Company has continued to promote commuter safety to employees. Continuously improve the quality of safety and health management. The 2 occupational safety and health management systems of "ISO 45001:2018" and "TOSHMS" have been re-verified and audited by BSI, and the certificates have been renewed.

Note: 1. Its own operations include TCFHC and TCB, TCS, CAM, TCBF, BNP TCB Life, TCSIT, and TCVC, the 7 subsidiaries in total. BNP TCB Life is a joint venture established by TCFHC and BNP Paribas Cardif, which hold 51% and 49% of the company's shares respectively. TCFHC has the right of controlling, so BNP TCB Life is regarded as a part of own operation.

2. The human rights issues included in the Company's human rights risk identification process this year include workplace diversity, gender equality (sexual harassment), maternal health protection, work overtime, human trafficking, forced labor (including child labor), occupational safety and health, freedom of association, and expression of opinions. After risk identification, it was confirmed that the major issues of concern are the 7 items listed in the table.

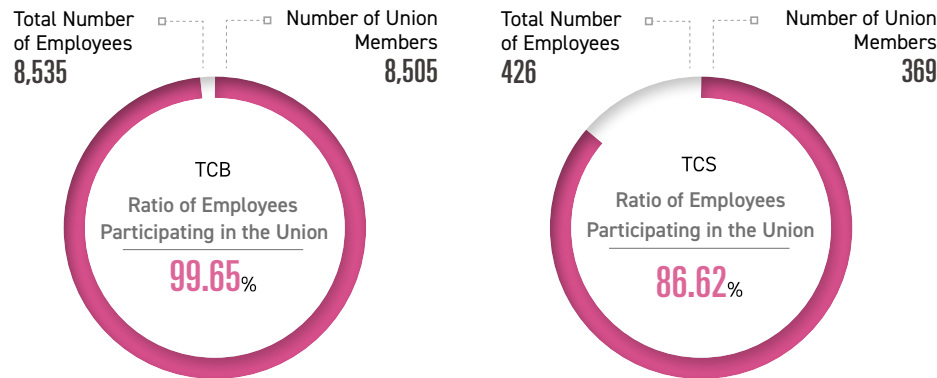
Comprehensive Employer-Employee Communication

The Group is committed to establishing multiple and smooth communication channels so that employees' voices can be heard and responded to. Each company within the Group has set up an "Employee Feedback Section" or "Message Board" in the internal domain. Employees can also communicate with the company through organizations or meetings such as corporate unions, Employee Welfare Committees, and quarterly labor-management meetings. Meanwhile, the management also proactively assists employees in handling workplace issues to reduce labor disputes.

All the domestic and overseas operating locations of the Group's companies protect employees' freedom of association, and so far no violation of freedom of association has occurred. In order to protect rights and interests of employees and enable harmonious labor relations, TCB and TCS both renewed collective bargaining agreements with their corporate unions respectively in 2022 for a validity period of 3 years. In addition, TCSIT formed the corporate union in 2024. Based on the principle of integrity, both parties aim to promote harmonious employer-employee relationship and work together to increase work efficiency, improve employee welfare, and seek common goals for career development, creating a win-win situation for the labor and management.

Currently, a total of 8,874 employees at TCB and TCS have joined corporate unions, accounting for approximately 99.03% of eligible employees. This means that over 90% of the Group's employees are protected by unions or collective bargaining agreements. Additionally, companies in the Group all have a personnel management system that complies with the collective bargaining agreements to protect the rights and interests of employees on the basis of harmonious employer-employee relations, mutual trust, and mutual benefits.

Labor Union in the TCFHC Group



Note: The total number of employees of TCB at the end of the year was 8,786, plus 6 employees of United Taiwan Bank, excluding 1 temporary employee who does not have union qualifications and 256 employees employed outside Taiwan.

Employee Satisfaction

In order to listen to and understand employees' satisfaction and opinions of the current situation of the management system, TCFHC regularly conducts employee satisfaction surveys, and integrates the opinions of most employees into the Company's reference for formulating future policies, so as to achieve common prosperity and good things with employees.

Starting from 2022, in order to implement the balance between employees' family and work life, the content of the questionnaire was appropriately adjusted, hoping to understand employees' workplace feelings, which could be used as a reference for future benefits or policy adjustments, so as to strengthen employees' sense of happiness and identity, and create a truly happy enterprise.

Survey Method

Use the Likert scale as the benchmark for comparing satisfaction scores, with 5 points based on level of agreement. "Strongly agree" is 5 points, "agree" is 4 points, "normal" is 3 points, "disagree" is 2 points, and "strongly disagree" is 1 point.

Survey Aspects

Include 6 major aspects, namely "job satisfaction", "purpose", "happiness", "stress", "trust", and "leadership management".

Survey Results

A total of 9,070 questionnaires were sent out. After excluding invalid questionnaires (including unanswered or irregular samples that deviate from the normal value), there were a total of 8,448 valid questionnaires. The effective response rate was 93.14%, which should be enough to reflect employees' opinions. The average score of this employee satisfaction survey was 4.13 points, which showed that most employees were satisfied with the Company's corporate culture and results of policy implementation.

2020-2023 Employee Satisfaction Survey Results

	2020	2021	2022	2023
Employee Survey Score	N/A	4.36	4.13	4.13
Employee Survey Participation Rate (%)	N/A	91.19	93.14	93.14

Goals in 2023

The average employee satisfaction score is above **4** points every year

Note: 1. TCFHC, TCB, and TCS conducted employee satisfaction surveys for the 1st time in 2021.
2. Survey has included all companies in TCFHC Group since 2022.

CH7

Environmental Sustainability

Stakeholders of Concern

- +Employees
- +Customers
- +Suppliers
- +Academic/Consultancy/
Industries/Guilds and Association

Corresponding Material Topics

- +Climate Strategies and Actions

SDGs



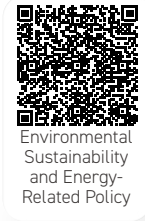
7.1 Green Operation GRI 2-23、2-24

In fulfillment of 2050 net-zero emission goal and SDGs, TCFHC implements green operations and reduces the impact of its business activities on the environment in 6 areas, which are "Energy Conservation and Carbon Reduction", "Energy Management", "Water Resources Management", "Waste Management and Circular Economy", "Environment and Biodiversity Education" and "Environment and Biodiversity Conservation". At the same time, TCFHC has set short-, medium- and long-term goals for environmental sustainability and improves energy-saving and carbon-reducing measures through tracking the implementation status every quarter and conducting review meetings every 6 months to improve management measures on a rolling basis.



To deepen environmental sustainability efforts, TCFHC established the Environmental Sustainability Task Force under the Sustainable Development Committee. TCB, on the other hand, became the 1st state-owned bank to set up the "Environmental Sustainability Section" under the Administration Department to take charge of the Environmental Sustainability Task Force of TCFHC. We use a vertical integration model to plan environmental sustainability affairs, scheme to mitigate or adapt to the impact of climate change, and implement the Group's low-carbon operations.

Facing the impact of global warming and climate change, TCFHC commits to implement environmental sustainability, fulfills the environmental protection responsibilities, and formulates the "[Environmental Sustainability and Energy-Related Policies](#)" as a way to set environmental and energy goals and establish corporate green culture, implement green procurement and strengthen the understanding of sustainable development. We actively respond to the carbon emission reduction path, integrate with the international net-zero trend, and enhance climate change resilience.



Location Inventory and Environmental or Energy Management Execution Performance

Green Operation	Introduced Operating Locations or Implementation Accomplishments
ISO 14064-1 Greenhouse Gas Inventory	All 335 domestic and foreign locations
ISO 14001 Environmental Management System	36 locations
ISO 50001 Energy Management System	36 locations
ISO 46001 Water Resources Efficiency Management System	2 locations
ISO 14046 Water Footprint	4 locations
ISO 14067 Carbon Footprint	10 items
Carbon Footprint Labels of Products or Services	6 buildings
"Diamond-Class" Green Building Label	1 building
"Silver-Class" Green Building Label	1 building
"Bronze-Class" Green Building Label	2 buildings
"Qualified-Class" Green Building Label	8 buildings
Self-Generated Solar Energy for Self-Use (including that under construction)	16 locations
Procurement of Renewable Energy	2,446.47 kWh
Respond to Green Office	32 projects

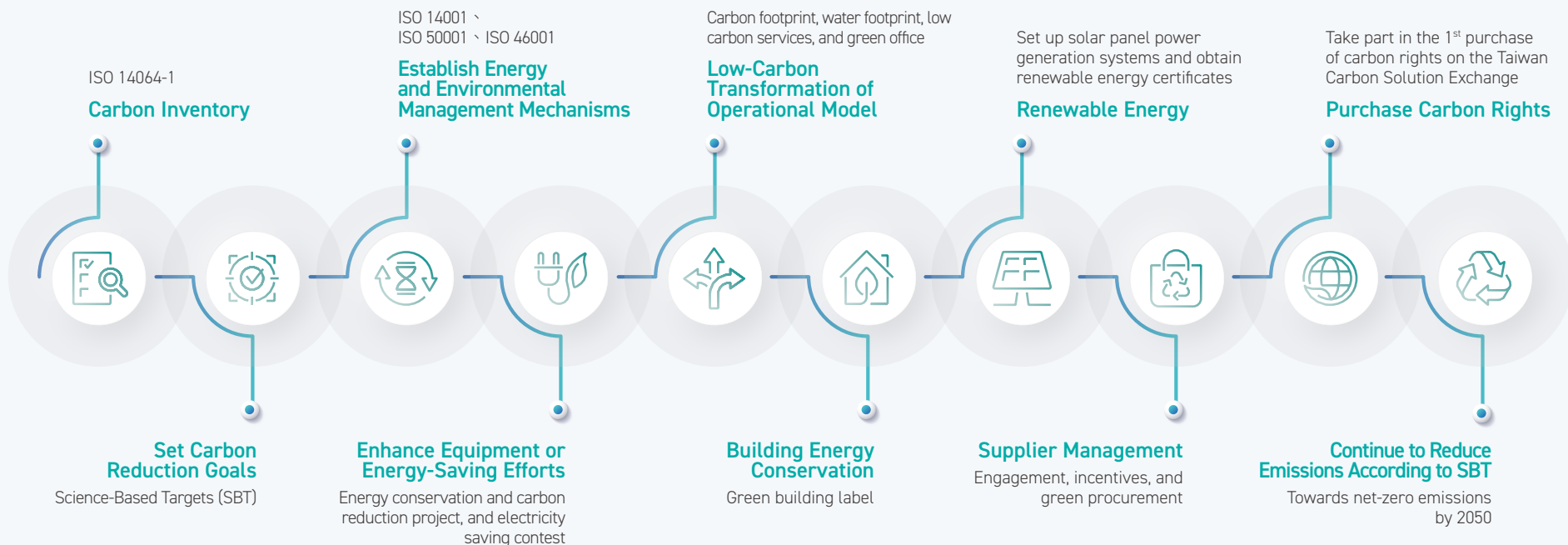
Energy Conservation and Carbon Reduction

Over the past few years, global warming has changed the ecological environment and frequent extreme weather incidents are threatening human survival as well. If we continue to ignore the imminent crisis and keep on with unstrained resource consumption, climate change will get worse and eventually lead to irreversible damages to the ecosystem. For the sake of mitigating impacts of climate change, TCFHC proactively manages greenhouse gas emissions and is devoted to joining the crew of controlling global warming within 1.5°C. We use the verification results of completing the "ISO 14064-1 Greenhouse Gas Inventory" at a total of 333 locations domestically and abroad in 2021 as the base year to set SBT, and passed the goal review in 2023. The Group's own operations (Scope 1 plus Scope 2) will reduce absolute emissions by 50.4% in 2032 compared with the base year (2021), with an average annual decrease of 4.58%. Therefore, the reduction goal in 2023 is 9.16% compared with 2021. In addition, TCFHC has implemented energy conservation and carbon reduction through the introduction of multiple ISO international standard verification and internal carbon pricing mechanisms, promoted green procurement and green offices, obtained green building labels, and combined with government energy-saving diagnostic services and other measures to practice energy conservation and carbon reduction. Meanwhile, we actively internalize the external costs of greenhouse gas emissions, strengthen the identification and management of risks and opportunities related to carbon emissions, and make strides towards low-carbon and sustainable operations.

| GHG Emissions

In order to keep track of greenhouse gas emissions throughout the Group, "ISO 14064-1 Greenhouse Gas Inventory" verifications were conducted at all domestic and overseas locations and were completed in a total of 335 locations in 2023, covering Scopes 1-3 of carbon emissions. Greenhouse gas emissions of Scope 1 plus Scope 2, in particular, decreased by approximately 18.9% from the base year (2021), achieving the goal of 9.16% reduction. At the same time, TCFHC participates in the Carbon Disclosure Project (CDP) every year, actively takes actions to solve environmental problems, has obtained the "B List Management Level" for 3 consecutive years, and has introduced "ISO 14001 Environmental Management System", "ISO 50001 Energy Management System" and "ISO 46001 Water Resources Efficiency Management System" to effectively manage the consumption of various resources and reduces carbon emissions through the cycle of Plan - Do - Check - Act.

Carbon Emission Reduction Roadmap



2020~2023 TCFHC GHG Emissions

Unit: Emission : tCO₂e ; Emission Intensity : tCO₂e/NT\$ million Net Revenue 、 tCO₂e/People

Scope Classification ^{Note 1}	2020	2021	2022	2023 ^{Note 7}	Goals for 2023
Scope 1 (Category 1) Direct GHG Emissions	543.51	2,574.55	2,720.60	2,781.54	2,338.72
Data Coverage Rate ^{Note 2} (%)	6.93	100.00	100.00	100.00	-
Scope 2 (Category 2) Energy Indirect GHG Emissions - Location Based ^{Note 3}	9,141.44	25,163.33	23,339.48	19,699.26	22,858.37
Scope 2 (Category 2) Energy Indirect GHG Emissions - Market Based	-	-	-	19,628.74	22,858.37
Data Coverage Rate (%)	6.93	100.00	100.00	100.00	-
Scope 1 (Category 1) + Scope 2 (Category 2) GHG Emissions Intensity - Location Based ^{Note 4} (tCO ₂ e/NT\$ million Net Revenue)	-	0.5098	0.4900	0.3663	-
Scope 1 (Category 1) + Scope 2 (Category 2) GHG Emissions Intensity - Market Based (tCO ₂ e/NT\$ million Net Revenue)	-	-	-	0.3651	-
Scope 1 (Category 1) + Scope 2 (Category 2) GHG Emissions Intensity - Location Based ^{Note 5} (tCO ₂ e/People)	-	2.9118	2.7028	2.3207	-
Scope 1 (Category 1) + Scope 2 (Category 2) GHG Emissions Intensity - Market Based (tCO ₂ e/People)	-	-	-	2.3134	-
Scope 3 (Category 3 ~ Category 5) Other Indirect Emissions ^{Note 6}	4,214,974.17	4,775,706.74	6,473,333.58	14,231,773.82	-

Note 1. The inventory is carried out according to the reporting boundary greenhouse gas inventory categories of "ISO 14064-1: 2018 Greenhouse Gas Inventory". Greenhouse gases include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃.

2. The data coverage rate is calculated based on the proportion of the Group's operating locations that have been audited in the current year.

3. Energy indirect GHG emissions are calculated based on the past electricity carbon emission coefficient set by the Bureau of Energy, Ministry of Economic Affairs (unit: tCO₂e/kWh). The electricity carbon emission coefficient in 2020 is 0.000502, 2021 is 0.000509, 2022 is 0.000495, and 2023 is 0.000494. The electricity carbon emission coefficient of the current year has not yet been announced, so the electricity carbon emission coefficient of the previous year is temporarily used to calculate.

4. GHG emissions intensity = (direct GHG emissions + indirect GHG emissions)/NT\$ million net revenue. Net revenue in 2021 was NT\$54,413 million, 2022 was NT\$53,182 million, and 2023 was NT\$61,377 million.

5. The number of employees in the Group in 2021, 2022 and 2023 were 9,526, 9,642 and 9,687 respectively.

6. The emissions of scope 3 (category 3 ~ category 5) adopt a multivariate inventory model, and relevant inventory methods include mixed methods, average data methods, and cost-based methods.

7. The sources of emission coefficients used from 2020 to 2023 are mainly the Ministry of Environment's Greenhouse Gas Emission Coefficient Management Table Version 6.0.4, the Product Carbon Footprint Information Network and ICAO. The Global Warming Potential (GWP) in 2020 and 2021 mainly use the values published in the IPCC 5th Assessment Report, and in 2022 and 2023 the values published in the IPCC 6th Assessment Report are used.

8. Category 1 does not meet the standard due to an increase in emissions owing to the increase in refrigerant equipment included in the inventory. When planning to replace equipment with refrigerants in the future, priority will be given to equipment with lower global warming potential (GWP) refrigerant types to achieve Category 1 reduction goals.

The Group's Scope 3 inventory categories in 2023 include 12 categories. The Scope 3 categories verified by third parties include the purchased products and services, fuel-and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, downstream transportation and distribution, use of sold products, and end-of-life treatment of sold products. In addition, the Group has also set a reduction goal for business travel (domestic high-speed rail and domestic and overseas airlines), which will be reduced by 3% each year compared with the previous year.

2023 TCFHC Scope 3 GHG Emissions

Unit: tCO₂e

Category of Scope 3	2023	
	Emission	Data Coverage Rate (%)
C1 Purchased Goods and Services	121.70	100
C2 Capital Goods	8,269.51	93.13
C3 Fuel- and Energy-Related Activities	4,001.91	100
C4 Upstream Transportation and Distribution	0.23	6.27
C5 Waste Generated in Operations	158.23	100
C6 Business Travel	197.65	100
C7 Employee Commuting	6,789.37	100
C8 Upstream Leased Assets	Although the Group leases real estates, the energy consumption incurred during the operational processes is paid by the Company, and the associated GHG emissions have been included in the Company's Scope 1 and Scope 2 emissions. Therefore, this item is not applicable.	
C9 Downstream Transportation and Distribution	1,037.53	6.27
C10 Processing of Sold Products	The Group belongs to the financial industry, and it does not engage in the processing of sold products. Therefore, this item is not applicable to the Company.	
C11 Use of Sold Products	65.04	93.13
C12 End-of-Life Treatment of Sold Products	30.86	93.13
C13 Downstream Leased Assets	704.79	93.13
C14 Franchises	The Group belongs to the financial industry, and all its branches operate directly with 100% ownership, without any franchising business models. Therefore, this item is not applicable.	
C15 Investments	14,210,397.00	Detailed methodology and reduction goals have been disclosed in the Sustainable Finance and the 2023 TCFD & TNFD Report .

Note: The data coverage rate is calculated based on the proportion of the Group's operating locations that have been audited in the current year.

Performance of Energy Conservation and Carbon Reduction

In 2023, major projects that were implemented included "Energy Conservation and Carbon Reduction", "Replacing and Reducing Lighting Fixtures", and "Air-conditioning System Energy Conservation Improvement". Through improving software and hardware equipment, adjusting management models and strengthening employees' environmental awareness, TCFHC promotes Employees implement energy conservation and carbon reduction in daily office work and do something for the earth.

A total of NT\$7.63 million was expected to be invested in energy conservation and carbon reduction projects in 2023 and saved a total of 2,257,232 kWh in power consumption, reducing carbon emissions by about 1,117.30 tCO₂e, which was equivalent to the annual carbon sequestration of 2.89 Daan Parks ^{Note 1}. It was estimated that about NT\$7.79 million to be saved. The average payback period was 0.98 years ^{Note 2}.

Energy Saving Measures

Energy Conservation and Carbon Reduction Project	Project Description	Project Investment Cost (NT\$ thousand)	Expected Reduction Power Consumption (kWh)	Expected Reduction Power Consumption (GJ) ^{Note 3}	Carbon Reduction Performance (tCO ₂ e) ^{Note 4}	Costs Expected to Save (NT\$ thousand) ^{Note 5}
Energy Conservation and Carbon Reduction	<ul style="list-style-type: none"> Close horizontal and vertical billboards and nonessential lights. Turn off lights in offices and machine rooms during lunch break. Supervise employees to shut down personal computers (including monitors) after work. 	0	1,682,344	6,058	832.75	6,060
Replace and Reduce Lighting Fixtures	<ul style="list-style-type: none"> Replace lighting in offices, conference rooms, and underground parking lots with 1,097 LED lamps in total. The lighting configuration was adjusted, and a total of 829 lights were reduced. 	2,830	202,958	731	100.45	730
Improve Energy Conservation of Air Conditioning System	<ul style="list-style-type: none"> Adjust the ice water host configuration and operating time. Improve office blower heat exchange efficiency and increase the temperature set indoors. Build hot and cold aisles and raised floors in the machine room. 	4,480	371,930	1,339	184.10	1,000
Total		7,630	2,257,232	8,128	1,117.30	7,790

Note 1. The annual carbon sequestration of Daan Park is 386.5 tCO₂e.

2. Average payback period = project investment cost/cost expected to save.

3. The estimated reduction in electricity consumption (GJ) is converted into units based on the parameters of the Energy Statistics Manual of the Energy Bureau of the Ministry of Economic Affairs - Energy Product Unit Calorific Value Table. Electricity (consumption level) is 860 kcal/degree (KWh), and 1kcal=4.187KJ. During the verification period, the energy statistics manual for the current year has not yet been released, and calculations are based on 2022 data.

4. The electricity carbon emission coefficient in 2023 is 0.000494 (tCO₂e/kWh). However, the electricity carbon emission coefficient has not been announced during the verification period, the electricity carbon emission coefficient of the previous year is used to calculate.

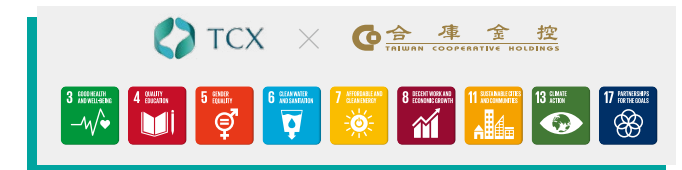
5. This refers to the electricity cost saved before and after the implementation of the energy saving and carbon reduction project.

Internal Carbon Pricing

In order to implement carbon reduction management and strengthen the concept of "carbon emission has a price", TCB calculated Internal Carbon Pricing (ICP) in 2022 to examine the carbon generated by operations through the internalization of the "external cost" of greenhouse gases. Emission costs should be included in the investment considerations of future energy-saving and carbon-reduction projects, to enhance corporate carbon risk management capabilities and strengthen their own climate resilience. At the same time, TCB actively adopt low-carbon operating measures and improve energy use efficiency to further achieve energy-saving and carbon-reduction management benefits. TCB adopts the implicit pricing method and calculates ICP making reference to the energy-saving efficacy, purchase cost, and estimated service life of equipment purchased and reviews the ICP on a rolling basis each year. The average carbon price ranges from NT\$4,279 to NT\$7,814 per ton.

Participate in the 1st Purchase of Carbon Rights

In order to proactively enforce carbon reduction and to support national climate actions, TCFHC spontaneously takes part in the trading of 1st batch of carbon rights of the Taiwan Carbon Solution Exchange. The purchased carbon rights will be used to promote carbon reduction and carbon neutrality of the Group and its subsidiaries. Through the purchased carbon rights plan, TCFHC promotes the achievement of a number of SDGs, and while reducing corporate carbon emissions, TCFHC also realizes universal values such as social inclusion and climate equity.



Carbon Footprint and Carbon Label

In order to achieve a sustainable consumption and service model of a low-carbon economy, the life cycle assessment method is adopted to add transparency to the input-output of the product supply chain and services, energy and resources, and sources of carbon emissions with potential environmental impacts. Cumulatively by the end of 2023, the Group was approved upon "ISO 14067 Carbon Footprint" external verification of 10 items in total and acquired the verification statement. Among them, product or service carbon labels were received for 6 items, namely, TCB's "World Card", "LOHAS Card", "Head Office (Business Department) Counter Service", "Financial Online Service/Online Banking Front End - General Login Overview", CAM's "Self-owned Real Estate Sales Service", and BNP TCB Life's "Personal Insurance Service Policy". In the future, TCFHC will continue to examine the carbon emission hotspots of operating products or providing services, optimize energy conservation and carbon reduction actions, and adjust or transform into low-carbon operations or service models.

Green Building



The headquarters building of TCB was built featuring the 4 major emphases of a green building, that is, "ecology, energy conservation, waste reduction, and health", with introduction of respective environmentally friendly and energy-saving designs that are in line with green buildings. In 2018, it obtained the Green Building Silver Label from the Ministry of the Interior and has been devoted to construction of green buildings in more additional locations for the sake of letting the building design belief in sustainable development live on and fulfilling the vision of co-existing and co-prospering with the earth. As of the end of 2023, the green building label has been obtained for 12 locations, including 1 diamond, 1 silver, 2 bronze and 8 qualified levels.



Energy Management

In order to reduce various energy consumption, TCFHC introduced the "ISO 50001 Energy Management System" and through various spontaneous action plans and improvement solutions, is devoted to energy conservation, energy creation, and energy purchase, improve energy efficiency and the proportion of renewable energy in use, achieve energy conservation goals, and fulfill the responsibility of protecting the environment.

Goals for 2023

- Electricity Consumption
46,640.67 MWh
- Fuel Consumption
382,476 L

2020~2023 TCFHC Energy Consumption

		2020	2021	2022	2023	2023 Goals	Achievement of 2023 Goals
Total Purchased Electricity Consumption Note 1 (MWh)		46,643.77	49,097.01	45,594.59	42,020.18	46,640.67	✔
Non-Renewable Energy Consumption	Total Purchased Electricity Consumption Note 1 (MWh)	46,643.77	49,097.01	45,594.59	39,775.52	-	-
	Total Fuel Consumption Note 1 (MWh)	3,588.16	3,240.96	3,686.15	3,737.21	3,470.04	✘ Note 4
	Total Fuel Consumption Note 1 (L)	395,495.00	357,226.00	406,296.00	409,722.00	382,476.00	✘ Note 4
	Total Energy Consumption (Purchased Electricity + Fuel) Note 1 (MWh)	50,231.93	52,337.97	49,280.74	43,512.73	50,110.71	✔
	Total Energy Consumption (Purchased Electricity + Fuel) Note 1 (GJ)	180,872.13	188,456.00	177,446.97	155,677.34	-	-
	Energy Intensity (GJ/NT\$ million Net Income) Note 2	3.49	3.46	3.34	2.55	-	-
Renewable Energy Consumption	Total Self-Sufficient Consumption (MWh)	27.76	28.35	36.60	260.08	-	-
	Purchased Energy Consumption (MWh)	-	-	-	2,244.66	-	-
	Total Energy Consumption (MWh)	27.76	28.35	36.60	2,504.74	-	-
Data Coverage Rate Note 3 (%)		92.17	100.00	100.00	100.00	-	-

Note 1. Total oil consumption (MWh) and total non-renewable energy consumption (fuel + electricity) (GJ) are converted according to the historical Energy Statistics Handbook - Energy Product Unit Heating Value of the Bureau of Energy, MOEA. The gasoline for motor vehicles in 2020~2022 was 7,800 kcal/liter, diesel was 8,400 kcal/kWh, electricity (consumption side) was 860 kcal/kWh, Mwh=1,000 kWh and 1 kcal=4.187KJ. However, the energy statistics manual for the current year has not yet been released during the verification period, and calculations are based on 2022 data.

Note 2. The net income from 2020 to 2023 are NT\$ 51,766 million, NT\$54,413 million, NT\$53,182 million and NT\$61,377 million respectively.

Note 3. The data coverage rate is calculated based on the proportion of the Group's operating locations that have been audited in the current year.

Note 4. The fuel consumption did not meet the standard due to the increase in external business promotion work after the epidemic was lifted. As a result, the set target was not reached in 2023. In the future, old official vehicles will be gradually replaced, and employees will continue to be promoted and encouraged through education, training, and literature to take more public transportation and other means in order to achieve the goal of reducing fuel consumption.

Energy Consumption Management

In order to achieve power-saving goals and reduce carbon emissions, in addition to actively promoting various energy-saving and carbon-reduction projects, power-saving measures and implementing green offices, TCB has formulated the "Business Unit Electricity Saving Competition Incentive Measures" in 2023. Based on the electricity consumption reduction targets of all business units in Taiwan, the unit will be ranked based on the unit's energy saving and annual reduction target achievement rate, and will be awarded from NT\$6,000 to NT\$60,000. In 2023, the electricity consumption of domestic business units was 24,545,805 kilowatt hours, a decrease of 1,739,463 kilowatt hours compared with 2022, with a power saving of 6.6%. The reduced carbon emissions converted from electricity consumption are 861 tCO₂e^{Note}, which was equivalent to the annual carbon absorption of 2.23 Daan Parks quantity.

Note: The electricity carbon emission coefficient in 2023 is 0.000494 (tCO₂e/kWh). However, the electricity carbon emission coefficient has not been announced during the verification period, the electricity carbon emission coefficient of the previous year will be used to calculate.



Electricity Saving Measures

- Promote energy-saving and carbon-reducing projects such as "Energy Conservation and Carbon Reduction", "Replacing and Reducing Lighting Fixtures", and "Air-conditioning System Energy Conservation Improvement".
- Combine energy-saving improvement measures for equipment and systems in conjunction with government energy conservation diagnostic service.
- Adjust the use conditions of training classrooms in the head office building, arrange classrooms with appropriate specifications based on the actual number of applicants, enhance space utilization efficiency, and achieve energy conservation and carbon reduction.
- Set the power-saving mode for computer equipment in the office. Computers will automatically enter the low-energy-consuming sleep state after having remained inactive for 5~10 minutes.
- The air conditioning temperature is set at 26°C. The air conditioning units are cleaned and maintained regularly to prolong their useful life and cooling effect.
- Regularly inspect and maintain elevators and define usage rules. Reinforce management or deactivate some elevators to reduce standby power consumption.
- Adjust the usage time or operation mode of public equipment such as water dispensers and photocopying machines, and set the sleep state or turn off power during non-working hours or off-peak periods.
- Prepare the "Mechanism for Inspecting Office Space Energy Conservation Guidelines in Head Office Building" to guide all employees in the head office building to precisely practice energy conservation.
- Hold power-saving competitions, assign carbon reduction goals to respective operating locations throughout Taiwan, and provide incentives.

Awareness Campaign


- Post electricity saving-related promotional materials and slogans in office areas, such as posting "turn off the power when you leave" near light switches.
- Notify units not open for business that the lights should be turned off for 1 hour during the noon break.
- Promote walking exercises and encourage employees to refrain from taking elevators when moving up or down 3 or fewer floors.

Use of Renewable Energy

In line with the government's 2050 net-zero emission and the promotion of energy transformation policies, 11 locations of TCB have completed the installation of solar panel power generation systems. The actual total power generation has reached 260,082 kWh, and the reduced carbon emissions are about 128.74 tCO₂e, which is equivalent to the annual carbon absorption of 0.33 Daan Parks. With the ongoing construction of solar panel power generation systems in another 5 locations, solar panel power generation systems accumulatively are now available in 16 locations, with an annual power generation of about 503,400 kWh. In addition, we purchased 24.4647 million kWh renewable energy. All together, the carbon emissions reduced are about 12,359 tCO₂e, which is equivalent to the annual carbon absorption of 31.98 Daan Parks. In 2023, a total of 2.2447 million kWh of green electricity was transferred and 2,250 renewable energy certificates were obtained to respond to the "National Net-zero Emission Policy" in the future and to gradually increase the ratio of renewable energy used.

Fuel Management

In order to enable employees to practice green office in daily life, we gradually replace old official vehicles and motorcycles with high-efficiency and low-fuel-consumption official vehicles and electric motorcycles. Since 2022, a total of 202 environmentally friendly or energy-certified vehicles have been leased for official use. Meanwhile, we continue to promote the principle that employees should use public transportation instead of cars and motorcycles when commuting or traveling on business, or that employees should share rides when dispatching official cars, and encourage to use video conferencing instead of on-site meetings or training meetings to reduce energy and resource consumption and reduce carbon emissions.



Oil Saving Measures

- Company vehicles are replaced by electric ones.
- Gradually replace old company vehicles. Company vehicles that are highly efficient and low-oil-consuming are rented to be used by employees.
- Maintain and inspect company cars regularly and ensure the tire pressure is maintained in good condition.
- There is a public EasyCard to facilitate flexible use of public transportation by colleagues on business trips.

Awareness Campaign

- Encourage employees need to make long-distance business trips to ride together in company vehicles or to take public transport.
- Encourage video conferencing to reduce energy and resource consumption.
- Promote the avoidance of stomping on the gas pedal and frequent braking while driving, reducing idling, maintaining appropriate temperatures inside the vehicle and avoiding setting excessively low temperatures, and reducing unnecessary load weight among employees.

Water Resources Management

Global climate change has led to the issue of water scarcity, which is getting worse each day. Responding to "SDG 6 Clean Water and Sanitation", the head office building, IT Department, staff training center, and central processing center of TCB are verified for "ISO 14046 Water Footprint". The water footprint impact analysis helps boost water resource utilization efficiency, reduce environmental impacts concerning water throughout the life spans of products or services, and optimize water resource management.

In order to continuously reduce water consumption, the head office building and IT Department of TCB introduced the "ISO 46001 Water Resources Efficiency Management System" for the 1st time, looking for opportunities to recycle water and improve major water facilities, and improve water utilization efficiency through reduction, replacement, and reuse, fulfilling the goal of conserving water.

2020~2023 Water Consumption

Unit: Kiloliters

	2020	2021	2022	2023	Achievement of 2023 Goals
Water Withdrawal (excluding saltwater) (A) ^{Note 1}	307,569	289,002	310,334	265,997	✔
Water Discharge (excluding saltwater) (B) ^{Note 2}	246,055	231,202	248,267	212,798	
Total Net Fresh Water Consumption (A-B)	61,514	57,800	62,067	53,199	
Data Coverage Rate ^{Note 3} (%)	92.17	91.89	100.00	100.00	

Note: 1. The source of water used is tap water.

2. According to the revised sewage treatment plant design and explanation in the 2021 edition by the Ministry of Interior of Taiwan, the water discharge volume (domestic sewage) can be estimated based on the water consumption multiplied by 0.8 (common experience value). Since the operating locations of the Group are mainly domestic, this method is used to calculate all domestic and foreign operating locations within the scope of its inventory.

3. The data coverage rate is calculated based on the proportion of the Group's operating locations that have been audited in the current year.



Water Saving Measures



Awareness Campaign

- A rainwater harvesting system is installed to effectively recycle and reuse water resources.
- Water use facilities have been installed with water saving devices such as censored water tap and water spreader with timer for horticultural use.
- Drip irrigation is put in place of sprinkler irrigation. The system is switched off automatically on rainy days to achieve water-saving efficiency.
- Equipment with water-saving label is used.
- Add water savers to faucets.
- Install smart water meters for air conditioners and domestic water equipment.
- Transcribe the amount of water consumed regularly and adequately check and repair water lines.

Utilize meetings to promote water conservation among employees, and post water-saving slogans to achieve water conservation.

Goals for 2023

Water Withdrawal:
299,279 Kiloliters
Water Consumption:
59,856 Kiloliters

Waste Management and Circular Economy



To reduce the environmental negative impact and achieve resource sustainability, TCFHC has implemented "ISO 14001 Environmental Management System" and formulated waste management measures to promote circular economy through resource recycling, green procurement and rent instead of buying. In addition to practicing the 3R environmental protection policy, which is reduce, recycle, and reuse, increasing the benefits of waste recycling and reuse, TCFHC also purchases environmentally friendly products, green building materials, and recyclable products with environmental protection, energy-saving, and water efficiency labels approved by the government.

In addition, in order to enhance the concept of circular economy and resource sustainability among employees, we continue to communicate knowledge on how to reuse resources, reduce unnecessary spending, bring down waste, and enhance resource utilization efficiency in relevant conferences and educational trainings. By exchanging used books, recycling waste battery, and free (waste-free) market activities and beach cleanup, among other volunteer activities, we promote reduction of waste from the source and encourage extension of the life spans of artifacts and improve resource utilization efficiency and recycling to significantly reduce the negative impacts that waste may have on the environment.

Goals for 2023

- Total waste recycled/reused: Resource recycling rate **>30%**.
- Total waste disposed: Waste is reduced by an average of **2%** compared to the past 3 years, with a target of **250.30** tons.
- Amount of carbon emission generated from kitchen waste: An average increase of **1%** compared to the last 2 years due to a decrease in kitchen waste, resulting in a decrease in carbon emissions, with a target of **0.24** tons.

2020~2023 Waste Disposal Amount

Unit: tons

	2020	2021	2022	2023	Achievement of 2023 Goals
Total Waste Amount	444.33	469.92	452.61	617.73	-
Total Waste Recycled/Reused	205.45	178.69	216.26	276.31	✓
Total Waste Disposed	238.88	291.23	236.10	341.42	✗ Note 3
Waste Landfilled	15.92	19.41	16.36	11.71	-
Waste Incinerated with Energy Recovery	222.96	271.82	219.74	329.71	-
Amount of Carbon Emission Generated from Kitchen Waste Note 1 (tCO ₂ e)	0.21	0.21	0.28	0.51	✗
Data Coverage Rate Note 2 (%)	92.17	91.89	91.62	100.00	-

Note 1: Conversion based on the Tainan Science and Industrial Park food waste (buried) coefficient of 0.00707 (metric tons CO₂e/metric tons) announced by the Product Carbon Footprint Information Network in 2014.
 Note 2: The data coverage rate is calculated based on the proportion of the Group's operating locations that have been audited in the current year.
 Note 3: Because the data coverage rate was increased to 100% in 2023, the target was calculated based on a 2% reduction in the average waste volume in the previous 3 years, so the set target was not reached in 2023. In order to achieve the goal of waste reduction, we will continue to promote relevant knowledge to employees through education, training, and literature to promote waste reduction, resource recycling and reuse, and improve resource use efficiency to achieve the goal of waste reduction.



Waste Reduction Measures

- Implement waste sorting and resource recycling for waste generated at the offices.
- Sort and recycle office supplies such as folders, paper bags, paper clips, and binder clips for reuse.
- Recycle used batteries.
- Avoid using disposable items such as disposable utensils, plastic bags, and bottled water during events or meetings.
- Promote paperless green services and electronic official document systems to reduce paper use.
- Recall personal trash cans to reduce waste generation at the source through the inconvenience and habitual change of waste disposal.

- Utilize meetings to promote waste sorting measures, avoid food waste when ordering, and reduce kitchen waste among employees.
- Promote storage, carrying, and reading of meeting documents through electronic equipment to reduce paper used in photocopying.
- Read and promote applying the QR Code for events and promotional materials.
- Organize used book exchanges and free (waste-free) market events to increase resource recycling.

Awareness Campaign

Environment and Biodiversity Education

In order to implement "SDG4 Quality Education", "SDG11 Sustainable Cities and Communities", "SDG13 Climate Action", and "SDG17 Partnerships for the Goals", the Group actively adheres to the concepts of "Earth Only, Environmental Justice, Generation Welfare, and Sustainable Development" to promote environmental education to achieve sustainable management goals.



Define Environmental Education Action Plan



In order to improve the environmental literacy of employees and actively implement environmental sustainability, TCB has formulated an "Environmental Education Action Plan" to spread and disseminate environmental education information and guide employees to establish positive environmental values.

Enhance the Concept of Environmental Sustainability

Arrange special speeches and courses for senior managers and new employees, conduct advanced and entry-level environmental sustainability training courses, promote climate change, 2050 net-zero emissions and net-zero green living policies, and provide employees with environmental education and learning opportunities through digital learning courses and various channels. In 2023, there were a total of **45** keynote speeches, courses or education and training sessions related to environmental sustainability, with **5,916** attendees in total. In addition, "ESG Classroom" articles were sent to all employees via email every week. As of the end of 2023, a total of **75** "ESG Classroom" articles have been sent out to deepen the concept of environmental education and sustainable development.



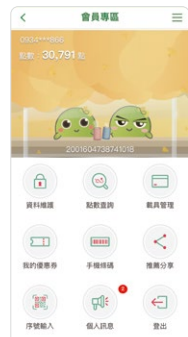
Algae Reef Ecological Education



In order to make employees better understand the importance of environmental protection and marine ecology, the TCFHC volunteer group was called on to go to the adopted shoreline of Repulse Bay in Sanzhi District, New Taipei City to clean up the beach and conduct algae reef ecological education. In addition to explaining the importance of algal reefs and maintaining algal reefs, approaches of protecting the reef and marine ecological, we also explained the decomposition time of marine waste to stimulate employees to think about environmental issues, and promoted the popularization of environmental education through prize-based answer activities.

Environmental Protection Green Point

To help employees practice habits of "green consumption" and "green life", environmental protection green points were offered instead of gifts or prizes. A total of **1,307,500** environmental green points were distributed during the "TCFHC Sustainability Week" and the initial environmental sustainability training course, driving the green economic cycle and guiding employees to continue through aspects of food, clothing, housing, transportation, education, entertainment, and shopping to implement sustainable actions and expand environmental sustainability influence.



Environment and Biodiversity Conservation

To implement "SDG4 Quality Education", "SDG11 Sustainable Cities and Communities", "SDG12 Responsible Consumption and Production", "SDG13 Climate Action", "SDG14 Life below Water", "SDG15 Life on Land", and "SDG17 Partnership for the Goals", TCFHC actively promotes various environmental sustainability measures and implements actions to protect natural ecological resources.



Earth Hour Lights Off for 1 Hour

Since 2022, TCFHC has been participating in the world's largest voluntary carbon reduction movement, Earth Hour on a yearly basis and turned off unessential lights between 8:30 pm and 9:30 pm on March 25, 2023 in support of the event through energy conservation and carbon reduction, contributing to carbon reduction on earth.



Supporting Green Office

The Green Office Policy of the Ministry of Environment includes energy conservation, resource reduction, green procurement, environmental greening and beautification, and publicity initiatives. The Group has responded to a total of **32** items, driving employees to realize green office and implement green life in daily life.

Supporting Tamsui River Convention

Given the value of river resources, TCB continues to support the CommonWealth Magazine's "Tamsui River Convention". In addition, TCB implements measures for resource recycling and waste reduction, strengthens the promotion of environmental sustainability concepts to suppliers, and increases the proportion of green procurement. TCB makes an effort to contribute to the sustainability of Taiwan's rivers by making a commitment to plastic and waste reduction.



Promoting Low Carbon Diets

TCFHC started promoting "TCFHC Group Vegetarian Day" in 2019. The event encourages employees to carry their own utensils and reduce the use of plastic utensils in order to lighten the burden on earth. In order to maximize the reach, it was further changed to "Vegetable Day", twice a month (the 1st and 15th day of the lunar calendar). A total of **47,852** people responded in 2023, reducing carbon emissions by about **36.37** tCO₂e, equivalent to **0.09** Daan Parks of annual carbon sequestration.



Street Tree Adoption

Starting from 2020, TCB and the Park Street Light Project Management Office of the Taipei City Government Works Bureau have signed an adoption agreement for **7** street trees between Lane 451, Section 2, Bade Road and Dunhua North Road until 2026, continuing to promote environmental protection and green landscaping work.

Coastline Adoption

Since September 2023, TCB has adopted the coastline of Sanzhi Repulse Bay in New Taipei City, an algal reef coastal terrain covered with rich green algae and known for its high degree of biodiversity as a joint effort to keep the coastal environment clean and to consolidate the sustainable development of the ecology.



Environmental Protection Charity Event

TCB proactively takes part in the adoption of non-public marginal land protection promoted by the National Property Administration of the Ministry of Finance as an effort to help conserve the homeland and contribute to environmental sustainability, sponsors the "Wetlands Taiwan" in launching the "Ocean Leads the Way - Promotional Project on Wetland Conservation and Wise Utilization of Qingkunshen Fan-Shaped Salt Fields". This is to jointly maintain the wetland environment that spans up to **333** hectares in area, monitor, maintain, and manage biological habitats, and promote the sustainable development of resources and communities by training local volunteers, promoting environmental education, low-carbon action, and turning waste into resources, accomplishing the goal of preserving biological diversity, with a total donation of NT\$ 123.56 million.



In order to help Taoyuan City's Fuxing District integrate the manpower of rural tribes, promote local regeneration by taking advantage of natural resources, and cultivate and build ecological parks in an environmentally-friendly way, TCB donated NT\$200,000 to the "Dandelion Foundation" and learned about organic farming and Israel drip irrigation technology and the black soldier fly recycling ecological mechanism as well as drove local economic consumption, responded to green dietary measures, implemented the SDGs, and consolidated sustainable ecological development. ◦



TCFHC Sustainability Week

In response to the "World Earth Day" and to thoroughly put the concept of environmental sustainability into action, the "TCFHC Sustainability Week" was held in April 2023, including keynote speeches, used book exchange, Green Point Challenge, Green Action Challenge, and outdoor "TCFHC Sustainability Day", with a total of **1,700** people participated. During the event, energy conservation and carbon reduction, green office and paperless operations were implemented, reducing carbon emissions by about **4,703** kilograms, equivalent to the daily carbon absorption of **4.45** Daan Forest Parks. On the "TCFHC Sustainability Day" on April 22, the volunteer team was called upon to learn about organic farming at Taoyuan Wudu Ecological Park, respond to the green dietary measures, consolidate sustainable development of the ecology, and even provide service at Qingkunshen Fan-Shaped Salt Fields in person, promoting the recycling of resources and contributing to sustainable development of communities.



Low Carbon Green Initiatives

Wetland Conservation and Environmental Sustainability

Went to Qingkunshen Fan-Shaped Salt Fields Wetland to clean up about **154** kilograms of garbage, striving to protect the pure land and achieve the goal of conserving

Low Carbon Green Movement Hiking for a New Life

The total number of steps accumulated throughout the campaign came to approximately **28,902,496**, which can reduce about **4,104** kgCO₂e, equivalent to approximately **3.85** Daan Parks' daily carbon absorption

Waste Batteries Recycling

A total of about **870** waste batteries were recycled to avoid environmental pollution and disaster damage caused by random disposal of batteries, and to develop the habit of battery recycling among employees

Huashan Central Art Park Cleanup

Helped clean the environment and jointly maintained the environment

TCFHC Sustainable Beach Cleanup Action

Cleaned up about **32** kg of trash along the coastal line of Sanzhi Repulse Bay to reduce the impact of waste on the environment from the source, and to promote the importance of environmental protection and marine ecology

Free (Waste-Free) Market in 228 Park on Earth Day

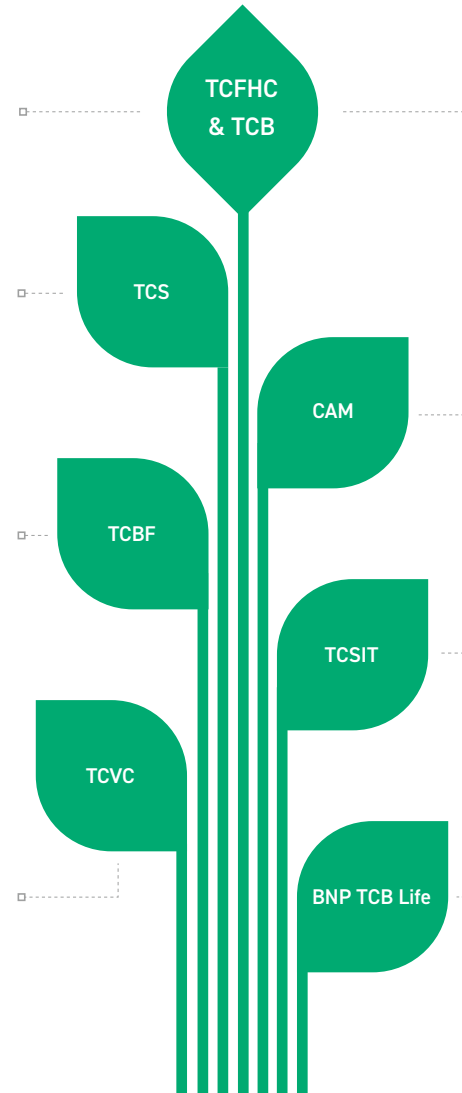
Communicated the concept of resource recycling and consolidated recycling, reuse, and non-disposal

We love Zhongji Neighborhood Maintain the Community Environment Together

Maintained the environment of Yijiang Park to create a cigarette butt-free and garbage-free environment for the park ecology, and jointly created a beautiful community environment

"Insurance for the Earth" Beach Cleanup Love the Earth, Just Do It!

Picked up garbage and performed simple water quality testing to jointly protect and understand the living environment

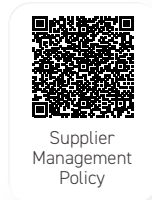


7.2 Supplier Management and Green Procurement

The main suppliers of TCFHC Group are IT equipment and system manufacturers. In order to actively respond to the government's green procurement policy and deeply embed the concept of sustainability in procurement operations, the Group promotes supplier sustainability management and collaborates with suppliers to jointly practice environmental sustainability.

Supplier Management

TCFHC continues to implement the "Supplier Management Policy". Since 2020, TCFHC requires suppliers with a purchase of NT\$1 million or higher to sign the "Undertaking on Supplier CSR and Environmental Sustainability Clauses", and list the CSR provisions in procurement contracts to explicitly ask that suppliers should comply with worker safety and health, environmental protection, and principal of integrity requirements. In 2023, domestic suppliers with a single purchase amount of more than NT\$1 million have signed a total of 369 "Undertaking on Supplier CSR and Environmental Sustainability Clauses".



Supplier Management Policy

<p>Environmental Sustainability</p>	<ul style="list-style-type: none"> The relevant raw materials used by suppliers when performing business should be based on the principle of protecting natural resources, giving priority to recycled or reused raw materials that meet product quality requirements, and avoiding the use of environmentally hazardous substances. Specific environmental protection and energy-saving measures should be established, which should not have a major negative impact on the environment or violate environmental regulations. Environmental sustainability should be effectively implemented and committed to caring for the earth, cherishing resources, and environmental protection and energy conservation.
<p>Labor and Human Rights</p>	<ul style="list-style-type: none"> Suppliers shall comply with national labor laws, protect employees against infringement of their legal rights, respect internationally recognized basic labor and human rights, and shall not have forced labors, layoffs, or matters that endanger the labor rights. Suppliers shall provide employees with a safe, healthy, and comfortable work environment and comply with occupational safety and health laws and regulations.
<p>Ethical Management</p>	<ul style="list-style-type: none"> Suppliers shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. In the process of engaging in commercial activities, suppliers shall not, whether directly or indirectly, offer, commit to, request, or accept any illegitimate benefits, or be involved in any conducts that would be construed as dishonest, illegal or in breach of trust for the purpose of acquiring or maintaining benefits.

Supplier's Human Rights Due Diligence

In order to implement supplier management policies and urge suppliers to comply with relevant labor laws and international human rights conventions, we have conducted human rights due diligence on suppliers, compiled potential and possible human rights issues, and understood the frequency and impact of risks. In the future, we will still regularly conduct supplier human rights due diligence and formulate mitigation measures for potential human rights risk issues as a reference to improve supplier management policies in the future.

Supplier Human Rights Due Diligence Results and Responsive Measures

TCFHC compiled 26 potential human rights risk issues focusing on human rights concerns such as "workplace diversity", "gender equality", "maternal health protection", "overtime work", "forced labor" and "occupational safety and health". A survey was conducted on suppliers (contractors) with an annual transaction amount of more than NT\$1 million. A total of 143 questionnaires were sent out, with a response rate of 100%. The overall risk ratio of the survey results was low. For the 2 potential human rights risk concerns identified in the self-assessment results as having relatively high relative risk exposure values, the response measures are formulated as follows:

Stakeholder	Key Topics	Risk Identification Ratio	Total Risk Ratio	Risk Mitigation Measures	Mitigation Ratio
Suppliers (Contractor)	Workplace Diversity	5.24%	11.53%	<ul style="list-style-type: none"> Divide suppliers (contractors) into categories and assist them in the formulation of phased and regional improvement implementation plans and deadlines. Formulate the priority order of improvement for barrier-free facilities of various buildings. Provide consultation and guidance on drafting alternative improvement plans. 	100%
	Occupational Safety and Health	6.29%		<ul style="list-style-type: none"> Encourage suppliers (contractors) to establish an "Occupational Safety and Health Committee", make suggestions on their health and safety policies, and review, coordinate, and make recommendations on health and safety-related matters. As a reference for planning supply (contractor) "procurement incentive" measures. 	

Guidelines to Incentives for Suppliers in Response to ESG

In order to work with suppliers in the promotion of ESG and to fulfill sustainable development goals, TCB defined the "Guidelines to Incentives for Suppliers in Response to ESG" and introduced incentives such as reduced performance bond and warranty fund, public recognition, and invitation to take part in ESG educational trainings and workshops. TCB tried to understand suppliers' ESG behaviors through their self-assessments and on-site inspections, and encourage suppliers to pay attention to and implement environmental sustainability, corporate social responsibility and corporate governance.


Supplier Conference

Climate change is an important issue that all businesses have to face. To extend its influence and work together with partners in pursuit of environmental sustainability, TCFHC supports the "Supplier Conference", which is hosted in turn by different state-owned financial institution every year. The conference extends the concept of ESG to suppliers and credit customers to create a sound sustainable development ecosystem.



Green Procurement

In order to practice green procurement and implement environmental protection, TCFHC prioritizes the use of environmentally friendly products with environmental protection labels, energy-saving labels, water-saving labels, sustainable forestry labels, etc., adhering to the original intention of "green operations, friendly to the environment", while the office renovation project is also based on the principle of green building materials. In 2023, the amount of green procurement reached NT\$88.98 million. In addition, TCB has been awarded the "Promoting Green Procurement Plan for Private Enterprises and Groups" by the Taipei City Government Environmental Protection Bureau for outstanding performance for 4 consecutive years.

 <p>IT equipment</p> <p>Energy-saving labels and green marks certification NT\$24.34 million</p>	 <p>Large air conditioner separate type, window type air conditioner</p> <p>Environmentally friendly refrigerant models, variable frequency energy-saving labels NT\$9.96 million</p>
 <p>Lighting equipment</p> <p>Energy-saving labels and green marks NT\$4.74 million</p>	 <p>FSC paper, and toilet paper</p> <p>FSC- and PEFC-certified products or products made from zero-tree felling processes NT\$2.42 million</p>
 <p>Green building materials</p> <p>Green Building Material Labels NT\$3.17 million</p>	 <p>Water dispensers</p> <p>Complies with Energy Efficiency Level 1 Energy Saving Label NT\$0.53 million</p>

| Sustainable Procurement

In order to comply with the international sustainability trend, TCFHC has also clearly formulated a "Sustainable Procurement Policy" to follow, implementing the sustainability concept in the procurement units of each company in the Group and extending it to cooperative suppliers. In addition, TCB is the 1st to adopt the "ISO 20400 Sustainable Procurement - Guidance" in April 2022, which has been approved by BSI. TCFHC and all other subsidiaries have also passed the BSI audit in January 2023.



CH8

Social Inclusion

Stakeholders of Concern

- + Customers
- + Community
- + Academic/Consultancy/
Industries/Guilds and Association

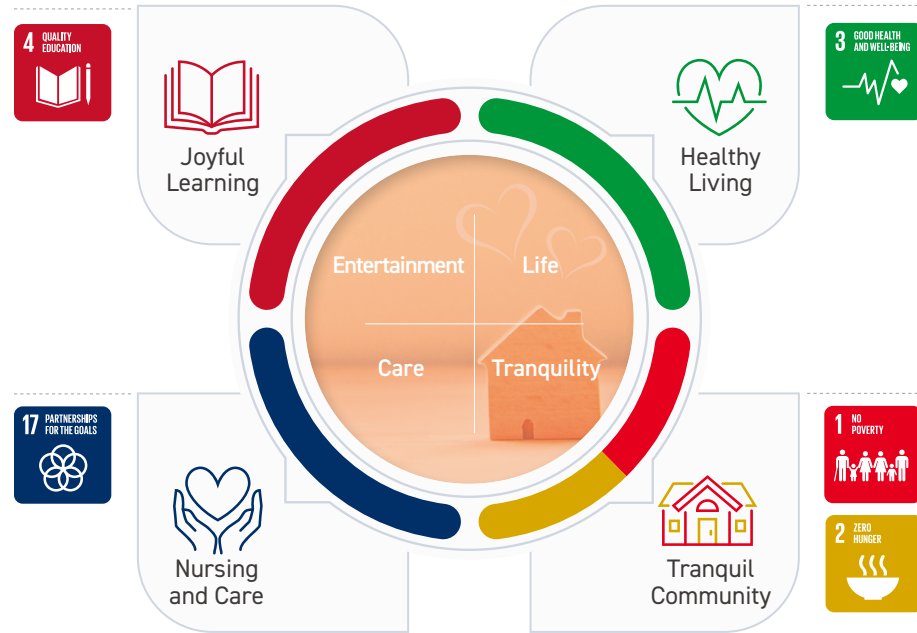
Corresponding Material Topics

- + Financial Inclusion

SDGs



8.1 Public Welfare Strategies



As environmental and social structures change, TCFHC continues to uphold sustainable development and pay close attention to effects and opportunities arising from an aged society. TCFHC kept implementing its 4 major public welfare strategies with "Joyful Learning, Healthy Living, Tranquil Community, and Nursing and Care". The Group actively use the core competencies of finance to launch a number of innovative products to solve social and environmental problems. At the same time, we also continue to integrate group resources to give back to the society and expand social influence

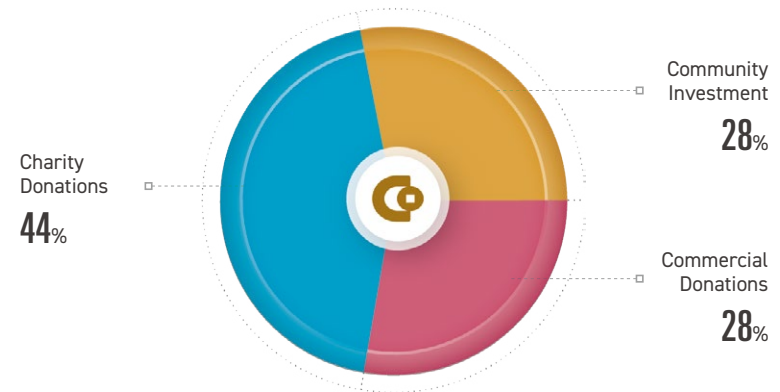
In addition, TCFHC takes "people" as the starting point and encourages colleagues to participate in public welfare activities, thereby cultivating social citizenship awareness. In 2021, the "Implementation Points of Volunteer Service of TCFHC " was formulated. The chair leads the team as the captain of volunteers, establishes a top-down corporate culture of public welfare, and passes on the feedback spirit of "taking from society and using in society" to every employee. BNP TCB Life has also planned a public welfare leave system and launched a "Public Welfare Passport" to support employees to participate in public welfare activities.

Resource Input into Public Interests in 2023

TCFHC adopts the London Benchmarking Group (LBG) Business for Social Impact Framework (B4SI), based on "cash investment", "time investment", "non-monetary investment", "recurring expense management investment" to present various data and classify the impact into 3 donation categories, including "charitable donations", "community investments" and "business donations". The total investment in the 4 major public welfare strategies in 2023 were NT\$213.66 million.

Type of Investment	Amount (NT\$)
Cash	16,892,905
Time	3,158,104
Non-Monetary	11,145
Recurring Expense Management	193,599,464

Charity Donations by Percentage



Volunteer Passport

Volunteers who have participated **3** or more of the Group's volunteering events will be given a volunteer passport.

Achievement Certificate

Volunteers or units that have provided excellent service will be given achievement certificates by the Group as well as public recognition.

8.2 Joyful Learning

TCFHC understands the importance of education and talent development for the sustainable development of corporates and society. Hence, for years, TCFHC has been working closely with the community, schools, and other institutions in order to support education and academic research. TCFHC tries to give every child equal educational and social resources, achieve financial inclusion, and bring financial knowledge and the concept of financial management to different groups in society.

Joyful Learning

Industry-Academia Collaboration
Provide internships for current students to develop financial independence and social skills.

Senior Education
Hold the "TCFHC Lecture" to provide senior product services and information, help the public start planning for retirement early and make arrangements for the later years of their lives.

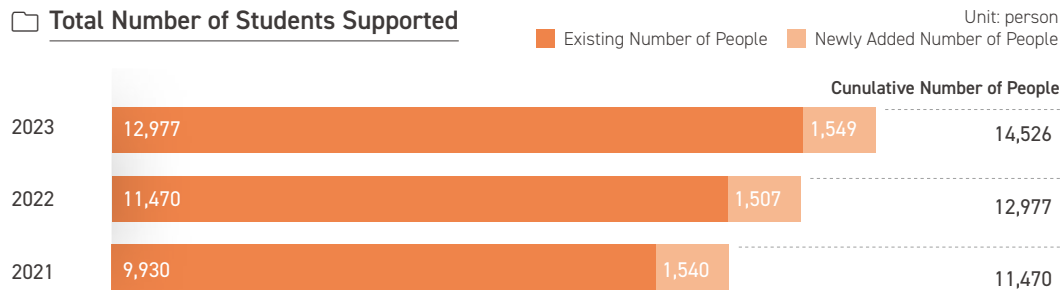
Rewarding Learning
Offer scholarships for students from disadvantaged backgrounds to finish school.

Cultivating Financial Literacy
TCB organizes the "Financial Literacy Campaign for the Campus and Community" and financial planning camps to help the public gain a wider range of financial knowledge and learn the right approach to financial planning.

Minority Empowerment
Donate to education themed charities to support the disadvantaged in learning.

Rewarding Learning

TCB has been actively taken a role in the "Charity Fund for Financial Services Industry Education", which was launched by "Taiwan Financial Services Roundtable" with donations from different financial agencies and financial institutional members. The fund provides NT\$100 million in scholarships and subsidies every year to help young students from poor and disadvantaged families to finish school and to organize financial courses to improve financial knowledge. A total of 14,526 young students benefited from the fund between 2015 and 2023.



As an incentive for undergraduate, graduate, and PhD students to do research in economics and finance, TCB started a scholarship in 1954, and the scholarship has been helping schools develop talent. From 1997 on, for educational institutions above high schools that deposit operating funds in the bank or request the bank to collect tuition fees and local governments that contract the bank to collect various types of fees or to distribute compensation, TCB provides scholarships to current students with excellent performance or children of the faculty or staff in related schools.



Year	Number of Approved Recipients	Number of Scholarship Receiving Schools	Total Amount Donated (NT\$ million)
2023	22	20	45.15
2022	22	16	43.02
2021	38	22	41.10

Cultivating Financial Literacy

In response to the policies of competent authorities, TCB held the campaign of "Communicating Financial Knowledge to Campuses and Communities". Internal professional lecturers go to various places to pass down financial knowledge, covering elementary schools, junior high schools, senior high school/vocational high schools, colleges and universities, communities, senior citizens, people with disabilities, national army, correctional institutions and social welfare groups. In 2023, 56 sessions in total were held and were attended by about 3,500 people. The courses not only covered wealth management and financial practices but also communicated correct ideas about anti-money laundering and countering the financing of terrorism. It helped the public and young people with insufficient financial professional literacy, and maximized efficacy of financial education, which was highly-recognized by the FSC. In order to help microbusinesses and SMEs boost their business management and financial competitive advantages, TCB partnered with the Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF) and held workshops where industrial and economic experts were asked to express their opinions on "2023 Challenges and Prospects for Economic Developments". Meanwhile, governmental agency and ESG experts and scholars as well as business owners were asked to serve as moderators to give microbusinesses and SMEs an idea of business plans covering the promotion of industrial revitalization and upgrade/transformation and expedited fulfillment of the goal of net zero and reduced emission, among others. There were about 100 participants joining the workshops.

TCB organized 300 financial planning seminars in 2023, with a total of 5,775 participants, and held 30 trust information sessions at social groups, medical institutions, schools and care facilities intended to educate the public on trust services. In addition, there were also the quiz and lot-drawing campaigns for the online children's wealth management education camp and information about the campaigns was shared through various social media to help children learn correct knowledge of wealth management in games.

Minority Empowerment

To care for education in outlying areas, minimize the urban-rural gap, and create an equal and high-quality learning environment, TCS collaborated with Teach for Taiwan in the "E-Campaign with You to Protect the Earth" as joint efforts to protect the earth and Eden Social Welfare Foundation in the charity marketing event entitled "Make No Doubt and Stand Firmly with Every Step". During the charity marketing event, for every customer that applies for e-billing, TCS donates NT\$5 to the foregoing charity groups.

The development of teenagers from high-risk families is another key issue that TCS follows closely and continuously. In 2023, TCS donated to the Bornanew Youth Caring Association and Yunlin Prison of the Ministry of Justice, providing assistance to juvenile offenders to reintegrate into their families and schools, as well as subsidizing scholarships for children of inmates. The goal was to encourage them to welcome the future bravely and to urge society to open its arms to families of inmates without discrimination.

Upholding the spirit of altruism, TCSIT donated to the "Taoyuan White Kite Children's Home" and the "Institute for the Blind of Taiwan" in the hope to help support the living and learning expenses of socially disadvantaged groups.

Industry-Academia Collaboration

In 2011, TCB started sponsoring the "Economically Independent Youth Internship Program" initiated by the Youth Development Administration of the Ministry of Education. TCB helps current students from financially disadvantaged families to complete internships in a secure environment to build work experiences and learn to be financially independent at the same time. TCB has provided over 500 internships under the program. In 2018, TCS implemented the "Guidelines for Hiring Interns", giving priority to current university students when the company needs to fill short-term positions. 1 college student was recruited as intern in 2023, and more than 11 current university students have been hired up to now. More openings are being offered on an ongoing basis.



Senior Education

As "the number 1 brand of LOHAS and elder care", TCFHC group continues to offer a full range of products and services to help the public plan for their lives after retirement and make arrangements for the later years in advance. In 2023, 4 "TCB Lectures - Happy Living and Secure Caring Master Class" with more than 1,900 people discussing plans about 2nd lives were held. In the same year, 1 "Orange Generation, Living a Happy and Carefree Life" elderly care and brain-teasing friendly experience event with 130 people, was held to help the public understand issues related to personal physiology, psychology, social relationships, and asset security in an aging society.

"TCB Lectures - Happy Living and Secure Caring Master Class"

For the 2023 TCB Lectures, experts in respective fields were invited to share their perspectives on life and financial products available for senior people. The event was hosted by the well-known anchor Joyce Liu, and wealth management expert Yun-Fen Xia, former Minister of Health Department Ching-Chuan Yeh, and physical therapist Wen-Jen Chien were invited to speak extensively on "Wealth Management upon Retirement", "Welcome a Happy Life", and "Stay away from Sarcopenia and Osteoporosis" to provide people with consumption and financial management advice while they enjoy a rich and healthy senior life.



"Orange Generation, Living a Happy and Carefree Life" Elderly Care and Brain-Teasing Friendly Experience Events

To improve public awareness of the cognitive and physical abilities of elderly people with dementia, this event combined 3 major elements, which were "lectures, experiences, and challenges". Through on-site experiences, participants could understand their own physical and cognitive abilities and gained knowledge about relevant spatial and cognitive disorders of people with dementia. The content of the lectures consisted of a full range of trust products, such as retirement assets protection and wealth inheritance were analyzed, case studies were shared, and long-term care with 4 kinds of subsidies, including assistive devices and home-based barrier free services were introduced. The seminar raised the elderly people and their families' awareness of long-term care resources and related financial products.



Goals for 2025-2029

- TCB to provide more than NT\$58 million in research grants and scholarships by 2029. Research grants are intended to encourage students to study financial innovation, green finance, information security, Fintech, and ESG topics and bring new ideas into the financial sector.
- Continue to organize TCFHC Lectures and financial inclusion seminars and forums over 2,100 sessions by 2029. These sessions include cross industry trust information sessions at social groups, medical institutions, schools and care facilities intended to educate the public on trust services. Financial planning seminars and other information sessions will help participants learn more about the financial products offered by TCFHC Group and make an early start on retirement planning.
- TCB to host 5 financial planning camps by 2029 in order to teach school children about the importance of financial planning and the correct approach.
- TCS to donate a total of NT\$1.6 million to 16 social organizations for children in remote areas in 2029.
- By 2029, BNP TCB Life will hold a total of 5 ceramic design competitions to nurture campus design talent and to provide opportunities for young people to participate in corporate activities.

8.3 Healthy Living

TCFHC has been providing sponsorships in the sports industry for years and has discovered and nurtured a myriad of rising young sports stars. Since 1947, TCFHC had assembled a table tennis team (in 1947), a baseball team (in 1949), and a badminton team (in 1992), paying more than NT\$100 million every year in support of these teams. The funds are spent on development and training of these teams, provision of well-maintained training facilities, accommodation and other benefits, and financial sponsorship for athletes to attend various domestic and international games and tournaments, all of which are essential to enable Taiwan to compete on the global stage. Meanwhile, TCFHC combines sports with charities, promotion, and school sports sponsorships. In 2023, TCFHC received the 15th consecutive "Sports Activist Awards" from the Sports Administration of the Ministry of Education.



Nurturing Sports Talents

Sports is an important soft power that enables Taiwan to connect with the world. Sports stars of TCB have been delivering remarkable performance internationally in recent years. They include world class player Tzu-Ying Tai and Tien-Cheng Chou, and top table tennis players including I-Ching Cheng, Yun-Ju Lin, Chih-Yuan Chuang and Chien-An Chen. There are also baseball stars Sheng-Feng Wu, Jia-Yo Lin and Han Lin. All of them are excellent athletes whom TCB has invested much resources into. In 2023, the TCB team sent players to support 58 sports events. TCB players performed outstandingly in various domestic and international competitions, winning multiple championships and runner-up titles, achieving excellent results, and showcasing Taiwan's abilities to the world.

In addition to ensuring support for active sports stars, TCB tries to recruit athletes with great potential from national games or schools in cooperative programs and provide them with health allowances and competition bonuses in order to ease their financial burden. Outstanding performance will be rewarded with an offer to become a full-time player on the team and can continue work at TCB after retiring from the team.

TCB supports grassroots sports in Taiwan. In 2023, TCB organized 3 table tennis, badminton and baseball camps in Chiayi, Tainan, and Pingtung, respectively, which were attended by about 1,100 people and supported the grassroots little league baseball charity event in Yunlin, providing players with tangible resources and facilitating the relay of valuable experience in order to nurture more backbone players for respective sports.



In 2023, TCB organized **3** table tennis, badminton and baseball camps

attended by about **1,100** people



Promoting Sports Events



In addition to cultivating sports talents and enhancing Taiwan's international sports competitiveness, TCB also promotes sports culture, encourages employees to pay attention to physical and mental health and develop sports habits, and organizes various sports events to promote sports culture among the people.

TCB invites corporate clients and their employees to participate in the TCB Badminton Cup, table tennis, and slow pitch softball games every year. The games provide opportunities for participants to meet other people with same interests and to relieve stress from work. The ultimate goal is to promote Taiwan's sports culture.

	Cheng Shin Maxxis TCFHC National Table Tennis Tournament	TCB Badminton Cup	TCB Slow Pitch Softball Cup
Total Number of Events	10	19	14
Organizers	TCFHC, Cheng Shin Rubber Industry Co., Chinese Taipei Table Tennis Association	TCB	TCB
Participants	Students from elementary schools to universities	Company employees	Corporate clients, universities and other organizations

i-Health for the Old and Young

TCS continuously donates to the Mennonite Social Welfare Foundation and actively supports care services for elderly people and people with disabilities in Hualien and Taitung. Given the lack of medical resources in that area, TCS has donated to the South-Link Medical Foundation to help improve medicare services for economically disadvantaged people in rural areas and increase emergency financial aid grants. TCS has also entered cultural and health stations and care centers for the elderly people in various villages, providing health education and free physiological monitoring, in the hope of reducing the inequality in medical care in rural areas and ensuring that residents in rural areas can receive comprehensive medicare and care. In addition, TCS has also participated in the "Care for Our Children" love fair hosted by Taiwan Fund for Children and Families for 3 consecutive years. In 2023, it recruited volunteers to assist at the "free clinic" booth to jointly protect the health of disadvantaged families and children.



TCS has also entered cultural and health stations and care centers for the elderly people in various villages, providing health education and free physiological monitoring, in the hope of reducing the inequality in medical care in rural areas and ensuring that residents in rural areas can receive comprehensive medicare and care. In addition, TCS has also participated in the "Care for Our Children" love fair hosted by Taiwan Fund for Children and Families for 3 consecutive years. In 2023, it recruited volunteers to assist at the "free clinic" booth to jointly protect the health of disadvantaged families and children.

Blood Drives

To help the government with the blood shortage crisis, CAM organized 1 blood drive in 2023 and urged employees to join in. Employees were also invited to serve as volunteers and put up signs around 228 Park to call on passers-by to donate blood. In the end, 28 bags of blood were collected.

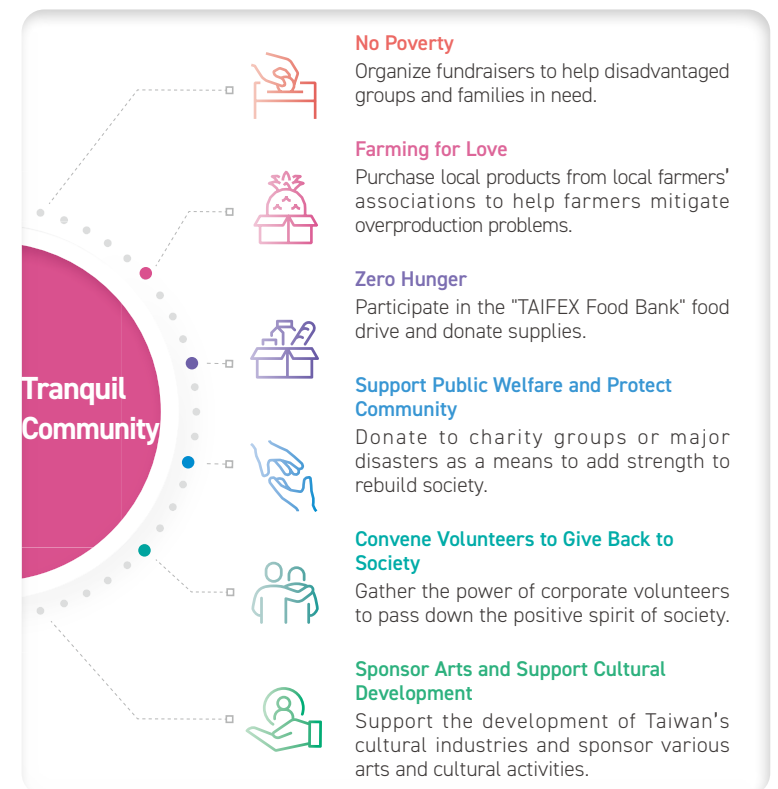


Goals for 2025-2029

- > Continue to provide NT\$180 million or more every year to support 3 teams in table tennis, badminton, and baseball.
- > Continue to hold 3 or more educational camps each year and 15 accumulatively by 2029.
- > Continue to help players develop a complete career path and transit with ease into the role of a coach, consultant, or bank teller after retiring from their sports.
- > Continue to hold cooperation programs with approximately 20 schools every year.
- > Sponsor 50 sports events by 2029.
- > Continue to organize 3 or more charitable health themed events every year to reach a total of 15 by 2029.

8.4 Tranquil Community

The modern world is constantly changing, and more and more of the disadvantaged are falling through the cracks or forgotten. Therefore, TCFHC Group continues to provide donations of supplies or funds to improve the quality of lives for the disadvantaged and bring more learning resources to children and the disabled in rural areas. In addition, TCFHC Group purchases local produce as a means to contribute to local agricultural development and improvement of farmers' lives. TCFHC cares for the disadvantaged and fulfills its corporate social responsibility in the process.



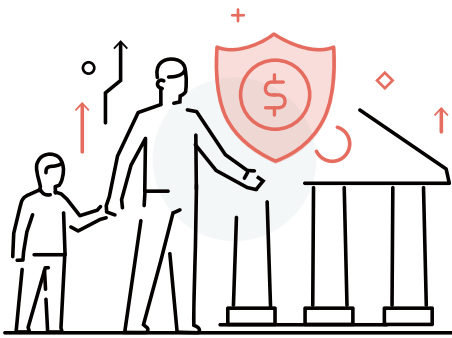
No Poverty

TCFHC Group is committed to giving back to society and continues to uphold the Group's charity policy. In 2023, TCFHC Group organized 77 fundraising events for disadvantaged groups and families in need, and donated more than NT\$14.5 million. More significant of these events are the following:

77 Fundraising Events and Donated More Than NT\$ **14.5** million

Turkey Earthquake Relief Donations

The Group donated a total of NT\$ **4** million to assist the earthquake victims in Turkey.



TCFHC Donation Drive

Reached through **270** branches into cities to help disadvantaged children and groups in need. Donated a total of NT\$**3.77** million to **52** charity organizations in **18** cities. More than **6,000** people benefited from the funds.



"Care for Our Children" Love Fair Hosted by Chiayi Family Help Center

TCS continued to co-organize "Bring Love into Families Fair" with Chiayi Family Helper Center, donated NT\$**150,000** to the fair, and provided **20** packages of pineapple.



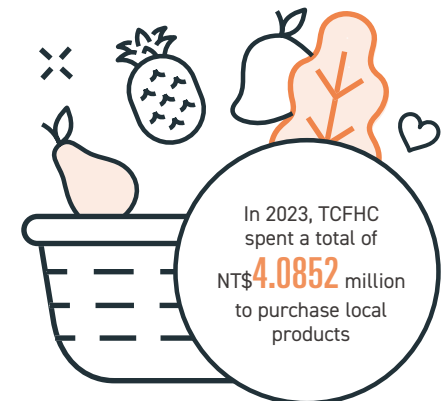
Zero Hunger

TCFHC has been helping to end hunger in community for years. TCFHC has participated in the TAIFEX Food Bank for 9 consecutive years since 2015. The campaign donated goods to the impoverished or crisis struck families or marginalized households not eligible for welfare benefits.

TCS continuously orders coffee beans from the Future Cafe, established by the Bornanew Youth Caring Association, and pastries from other charity organizations, with a total of NT\$201,500 in 2023 to support public welfare through actions and urge disadvantaged groups to be able to support themselves.

Farming for Love

TCFHC worked hard in promoting local agricultural products and took action to support the industry. TCFHC purchased fresh atemoya, pineapples, mangos, and pomelos from local farmers' associations and shared them with customers, employees and donated to the charity organizations that it had been supporting for years to help farmers mitigate overproduction problems.




Support Public Welfare and Protect Community


TCFHC not only extends its core competencies and influence as a financial institution to develop a wide range of financial products and services for consumers, but also fulfills the spirit of "Taking from Society and Using in Society". TCFHC combines resources from the Group and support charities and emergency relief efforts on an ongoing basis.

TCB

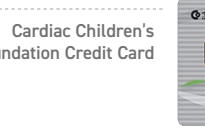
Issued Charity Credit Cards : Called upon consumers to support charities by using TCB Credit cards. A certain percentage of credit card spending was donated to the Child Welfare League Foundation, the Huizhong Foundation, the Cardiac Children's Foundation Taiwan, and the Lugang Mazu Temple. From the issue date to the end of 2023, the total donations reached NT\$**33.69** million.



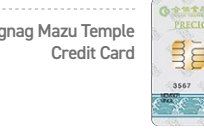
Care Credit Card



Huizhong Foundation Credit Card



Cardiac Children's Foundation Credit Card



Lugang Mazu Temple Credit Card

TCSIT

Donated NT\$**30,000** to the Music Foundation for the Blind in Taipei and NT\$**20,000** to the Institute for the Blind of Taiwan Paid attention to care of the disabled.

TCBF

Donated NT\$**100,000** to the Taiwan Lung Foundation and NT\$**100,000** to the Taiwan Pancreas Foundation Supported the prevention of lung and pancreatic diseases in Taiwan.

TCBF

Donated NT\$**120,000** to the Kaohsiung Red Cross Cihhwei Garden and NT\$**70,000** to Kaohsiung Red Cross Nursery Center Caring for children and disadvantaged youth, and strengthened social integration.

TCVC

Donated NT\$**20,000** to the A Kernel of Wheat Foundation to assist in the purchase of **1** long-term care shuttle for the Jinfeng Day Care Center.

CAM

Donated NT\$**20,000** to the ROC Orphan Association.

Volunteer Activities

In order to fulfill its corporate social responsibilities, TCFHC Group held 11 volunteer activities as a commitment to giving back to society, improving the environment, and showing care and contribution to the public. The more representative activities are as follows:

TCB volunteered in the bakery of the Taoyuan Adolescents' Home to assist in baking bread.



TCB volunteered at the An-Ping Community Development Association, Song-Shan District, Taipei City to communicate financial knowledge and share cases on how to prevent against financial frauds.



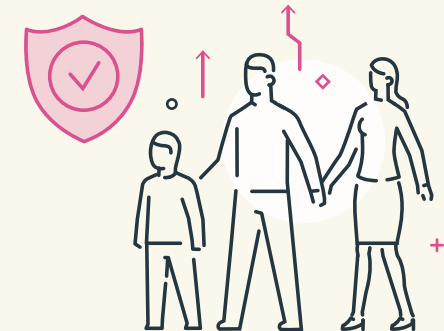
TCS sponsored the "2023 Financial Services Charity Festival" organized by the Taiwan Financial Services Roundtable (in Yilan), calling upon supervisors and colleagues to serve as volunteers, and donated NT\$**100,000** to the Yilan County Rehabilitation Friends Association.



TCS took part in the "Love Festival" charity event organized by Little Sapling Association, calling on 10 supervisors and colleagues to serve as volunteers and assist in the opening ceremony, and donated NT\$**200,000** to the association and sponsored 300 TCB USBs.



TCBF, for the sake of improving parent-child interaction and education and contributing to children's physical and mental development, volunteered in the Double Ninth Festival activities of the Jing-Chuan Child Safety Foundation.



Art of Baking Noodles



In March 2023, TCB volunteered in the "Art of Baking Noodles" event with Colleagues served as volunteers in the bakery of the Taoyuan Adolescents' Home to assist in baking bread. Taoyuan Adolescents' Home has been accompanying teenage boys and girls with issues and referred by the Social Affairs Bureau and ruled by the court for a long time and has helped over 200 children to date. It is literally the 2nd "home" for these children that is built on belief and diversified resources so that children learn to live on their own and resume hope. There is only one girl in charge of the bakery. Once an order is taken, she needs to complete a series of tasks such as flour sifting, fermentation and baking all by herself. With assistance from volunteers, it not only reduced the bakery girl's pressure but also allows her to experience the caring feeling brought by mutual assistance.

Love Festival

For 2 consecutive years, TCS has responded to the "Love Festival" organized by Little Sapling Association by inviting customers to participate to spread love and care. On the day of the event, 9 volunteers from Management Department, under the leadership of a senior assistant vice president, helped with registration and guided through the procedure.

"Love Carnival" took love as the main theme and integrated diverse contents to encourage everyone to love boldly, embrace what you love, and pursue sustainable love. More than 200 young children in outlying areas throughout Taiwan were invited to leave the mountains and experienced Taipei. In addition to activities such as popular singers, music live performances by charity groups, food trucks and simulated outdoor exploration, children could experience cross-field knowledge such as mechanics, craftsmanship and beauty. At the same time, the "Hug the Heart Movement" was also arranged to allow participants to learn to express their love for their families and extend love and warmth to the entire society.



Sponsor Arts and Support Cultural Development

TCB bank sponsored the Matsu Biennial of the General Association of Chinese Culture, the 2023 Projection Mapping Show featuring the Presidential Office Building on National Day, the 2023 Fireworks Show on National Day in Taichung, the charity concert of Taipei Kuan-Yin Line Psychological and Social Service Association, and the event of the Department of Music, National Taiwan Normal University, totaling NT\$97 million, to provide a stage for artists to freely express themselves and to support Taiwan's arts and cultural industries.

Sponsored arts and cultural activities amounting to NT\$**9.7** million

Goals for 2025-2029

- > TCFHC Group to organize **175** events in support of various charities by 2029.
- > TCFHC Group to purchase more than NT\$**4.5** million in locally produced goods by 2029.
- > TCFHC Group to organize **30** volunteer activities by 2029.
- > Call upon consumers to support public welfare by using TCB credit cards and affinity cards. A certain percentage of card spending will be donated to the Child Welfare League Foundation, the Huizhong Foundation, the Cardiac Children's Foundation Taiwan, and the Lugang Mazu Temple. Total donations are to exceed NT\$**45** million by 2029.
- > TCFHC Group to support the development of cultural industries and sponsor **10** various arts and cultural activities by 2029.

8.5 Nursing and Care

Rooted in Charity Power of Corporate Core Businesses

Long-term care is an increasingly popular topic in an aging population with a low birth rate and most seniors or disabled persons in Taiwan unable to care for themselves are often being cared for by their family members. As a result, these family members face tremendous stress and some are even encountering problems at work or facing economic or social issues, while often being overlooked by society. Therefore, since 2013, BNP TCB Life and Taiwan Association of Family Caregivers (T AFC) have been working together to introduce various measures and activities that support and care for family caregivers.

☐ Nursing and Care Goals

Short-term Goals

Raise Awareness

Raise awareness of the sandwich generation, who are paying the mortgages, understand the importance of insurance coverage in avoiding losing everything when they are at the height of their lives as well as careers.

Medium-term Goals

Raise People's Awareness on Caregiver Issues

Urge the public to pay attention to care issues and promote better use of long term care resources through vertical integration of central and local governments and media. Advocate caregivers do not give up their work, relationships or dreams.

Long-term Goals

Continue to Penetrate Young Adult Base

Through different activities and communication methods, young people can understand family care issues as early as possible to prevent more people from becoming middle-aged or vulnerable elderly people.

☐ Strategy of Public Welfare for Family Care


Charity Power of Corporate Core Businesses

Insurance products provided by BNP TCB Life are used to raise funds for family caregivers. BNP TCB Life extends its social influence and promotes long term care services.


Respite Services for Caregivers

Provide respite services for family caregivers to support these caregivers.


Connecting the Care Network

Connect long term care resources and raise awareness of this topic among the public.

☐ Charity Power of Corporate Core Businesses

Safeguarding Well-Being Donation

BPC TCB Life was the first to combine mortgage life insurance and donations to support family caregivers. A NT\$300 donation is made to T AFC from each single premium mortgage life insurance policy. This is a way of product differentiation, and secures the leading position in mortgage life insurance while giving sales partners a sense of identity and honor.



Total donations had reached NT\$24 million by the end of 2023

Caregiver-Friendly Workplace

BNP TCB Life started working with T AFC on promoting long-term care preparatory courses and long-term care resources matching service in 2016. A designated contact was appointed under the Human Resources Department to be responsible for matching external resources and refer employees in need of long term care assistance to T AFC. Employees who are caregivers are also provided with a family care allowance that is better than the statutory requirement to promote "care family without leaving work".



Respite Services for Caregivers

Respite Coffee

Since their launch in 2016, the "Caregiver Cafe" and the "Community Information Station" have provided more than **3,000** free cups of "respite coffee" as well as long term care advice and stress relieving activities to provide family caregivers a break from the stress of caregiving. Meanwhile, BNP TCB Life was the first to offer a value-added policyholder service that provided **10** cups of Respite Coffee every year to customers who made claims and needed long term care.

Respite Academy

Organized movie days, yoga, baking classes, flower arranging courses, and the Ukulele Support Group to provide caregivers chances to break and help them apply for respite services. Close to **30** sessions of the Respite Academy had taken place every year since 2014.



More than **14,000** people participated in the activities by the end of 2023

Charity Activities for Family Caregivers

In 2023, BNP TCB Life launched a series of sweets baking events entitled "Guardian PLUS - Sweetening Life" to help lessen the daily pressure felt by family caregivers through hand-made pastries and to share their pressure through the warm and diversified service ecology created while promoting Long-term Care Policy 2.0 at the same time. A total of **3** baking events were held in Taichung, Kaohsiung and Taipei, and about **200** family caregivers and policyholders were invited to make "Forever Safe" scones, "Good-Luck" pineapple cakes and "Killing 2 Birds with 1 Stone" snacks.



Ms. Zeng from Taoyuan purchased the BNP TCB Life's insurance with TCB many years ago. She needs to take care of her elderly parents and has borne quite some pressure over the long term. After BNP TCB Life launched the policyholder value-added service "Flexible Respite" in November 2022, Ms. Zeng applied for this service after being notified by the branch. It also reminded her of the first time she pushed her parents in wheelchairs to participate in the Respite Academy and Respite Cafe activities supported by donations from BNP TCB Life. She couldn't help but cry. However, after participating in the event, she felt the warmth of the respite coffee service and understood that she was not alone.

For the 2023 press conference held by BNP TCB Life, Ms. Zeng and her mother particularly came from Taoyuan to Taipei, too. The 82-year-old mother of Ms. Zeng was in tears while recalling the hard work and difficulties Ms. Zeng had experienced during the process and thanked her sincerely. BNP TCB Life's heart-warming "Respite Coffee" and "Flexible Respite" services offered alternatives to caregivers and planed suitable long-term resources in each case to help lessen the pressure felt by caregivers. BNP TCB Life was the robust support for caregivers and just like what Ms. Zeng sensitively said, "BNP TCB Life had always been there for her."



International Forums for Family Caregiver

Under the instruction of the Ministry of Health and Welfare, BNP TCB Life invites industry, government, academic representatives working in long-term care in different countries and regions to discuss long-term care policies, research, and current situation and to present results that can be provided a basis for future long-term care policies. The event is attended by 300 people every year since 2013. The event was held as an online academic conference in 2021 due to the pandemic. After resuming in 2022, over **3,000** people have participated online and offline by the end of 2023.



Connect the Care Network

Caregiver TV

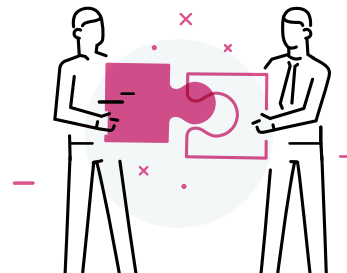
Following the T AFC Caregiver TV campaign, BNP TCB Life produced shows such as "Caring not Lonely ", "Long Term Care Classroom" and "Care-giving Study Club" so as to help caregivers who were unable to leave the house and young people who had not been exposed to care issues to learn more about care issues and possible solutions.



Policyholder Value-added Service

BNP TCB Life introduced value-added service for existing policyholders in 2022, providing innovative services such as flexible respite and practical instructors, having the T AFC to provide professional caretakers with alternatives, and assisting policyholders in checking and planning suitable long-term care resources, making the best of long-term care service in lessening caregivers' pressure. If a policyholder is not eligible for long-term care service, has not applied for it, or in case of insufficient long-term care support, the T AFC will find home service providers to provide assistance. Through various innovative methods, BNP TCB Life provides policyholders with value-added services, making policyholders feel attentive and warm.

In 2023, a headcount of **64** people in total applied for the value-added flexible respite service available for policyholders, totaling **230** calls and **206** service hours.



Goals for 2025-2029

- > Hold up to **120** Respite Academy classes (including online and offline) attended by a headcount of approximately **3,600** people, with the Respite Coffee to a headcount of approximately **13,000** family caregiver and up to **30** sessions of the arts therapy class by 2029.
- > Donate a total of NT\$**12** million in mortgage life insurance policies by 2029.
- > The number of users of flexible respite service and practical instructor service will exceed **400** by 2029.
- > Cooperate with the T AFC to care for family caregivers and establish a Ukulele Support Group, recruiting a headcount of up to **40** people by 2029.
- > Hold **10** long-term care activities by 2029, with an estimated number of participants up to **2,500** and social media promotional efficacy reaching **10** entries of exposure on Facebook and **10** on Instagram. Organize a total of **50** trust and long term care training and seminars. Continue to provide Trust Association "Financial Planner for Seniors" certification courses and work with the Trust Association to organize "Family Trust Planner" certification courses.

Appendix

1. Composition of Employee

Employee Employment Contract Types and Working Locations from 2021 to 2023

Year	Employment Contract	Gender		Working Location		Total Number of Employees
		Male	Female	Domestic	Overseas	
2023	Permanent	3,940	5,744	9,251	433	9,687
	Temporary	1	2	3	0	
2022	Permanent	3,928	5,708	9,201	435	9,642
	Temporary	2	4	6	0	
2021	Permanent	3,884	5,638	9,111	411	9,526
	Temporary	0	4	4	0	

Employee Age Statistics in 2023

Company	Number of Employees			Total Number of Employees (Including permanent and contract employees)
	Below 30	Between 30 and 50	Above 50	
TCFHC	0	5	12	17
TCB	1,391	4,119	3,276	8,786
BNP TCB Life	11	205	53	269
TCS	16	258	152	426
CAM	6	36	15	57
TCBF	15	14	38	67
TCSIT	2	28	19	49
TCVC	6	7	3	16
Total	1,447	4,672	3,568	9,687

2023 Full-Time and Contract Employment Statistics

Company	Full-Time				Temporary (Contract)				Employment Contracts with No Guaranteed Hours (Hourly employees, temporary employees)				Total Number of Employees
	Domestic		Overseas		Domestic		Overseas		Domestic		Overseas		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
TCFHC	8	9	0	0	0	0	0	0	0	0	0	0	17
TCB	3,405	4,947	176	257	0	1	0	0	0	0	0	0	8,786
BNP TCB Life	111	158	0	0	0	0	0	0	0	0	0	0	269
TCS	143	283	0	0	0	0	0	0	0	0	0	0	426
CAM	32	25	0	0	0	0	0	0	0	0	0	0	57
TCBF	35	31	0	0	1	0	0	0	0	0	0	0	67
TCSIT	22	26	0	0	0	0	0	0	0	1	0	0	49
TCVC	8	8	0	0	0	0	0	0	0	0	0	0	16
Total	3,764	5,487	176	257	1	1	0	0	0	1	0	0	9,687

Full-time and Part-time Employee Statistics in 2023

Company	Full-time				Part-time (Including employment contracts with no guaranteed hours)				Total Number of Employees
	Domestic		Overseas		Domestic		Overseas		
	Male	Female	Male	Female	Male	Female	Male	Female	
TCFHC	8	9	0	0	0	0	0	0	17
TCB	3,405	4,948	176	257	0	0	0	0	8,786
BNP TCB Life	110	158	0	0	1	0	0	0	269
TCS	143	283	0	0	0	0	0	0	426
CAM	32	25	0	0	0	0	0	0	57
TCBF	36	31	0	0	0	0	0	0	67
TCSIT	22	26	0	0	0	1	0	0	49
TCVC	8	8	0	0	0	0	0	0	16
Total	3,764	5,488	176	257	1	1	0	0	9,687

Workforce Gender and Diversity Statistics from 2021 to 2023

Year	Gender	Number of Employees	Ratio to All Employees (%)	Diversity			Ratio to All Employees (%)
				Persons with Disabilities <small>Note 1, 2</small>	Indigenous Peoples	LGBTQI+	
2023	Male	3,941	40.68	71	35	0	1.56
	Female	5,746	59.32	42	3	0	
2022	Male	3,929	40.75	60	36	0	1.38
	Female	5,713	59.25	34	3	0	
2021	Male	3,884	40.77	64	34	0	1.45
	Female	5,642	59.23	37	3	0	

Note 1. The number of persons with disabilities, including those with severe disabilities in 2023 is 113.
 2. The number of employable people with disabilities per 100 employees employed by TCB is 1.24.

Multinational Employee Statistics in 2023

Nationality	TCFHC	TCB	BNP TCB Life	TCS	CAM	TCBF	TCSIT	TCVC	Percentage of Employees of That Nationality (%)	Percentage of Employees of That Nationality in Managerial Positions (%)
Taiwanese	17	8,530	267	426	57	67	49	16	97.34	98.44
Asian (Non-Taiwanese)	0	220	1	0	0	0	0	0	2.28	1.25
American	0	21	0	0	0	0	0	0	0.22	0.18
European	0	1	1	0	0	0	0	0	0.02	0.04
Australian	0	14	0	0	0	0	0	0	0.14	0.09
Total	17	8,786	269	426	57	67	49	16	100.00	100.00

2023 Management Diversity Indicator

Diversity Indicator	Percentage (%)	Target for 2025
Share of female in total workforce	59.32	Remain at or not less than 50%
Share of female in all management positions (including junior, middle and senior management)	56.42	Remain at or not less than 50%
Share of female in junior management positions	57.42	Remain at or not less than 50%
Share of female in senior management positions	41.03	Expect to increase by 3%, or remain at or not less than 40%
Share of female in management positions in revenue-generating functions	57.90	Remain at or not less than 50%
Share of female in STEM-related positions	40.11	Expect to increase by 3%, or remain at or not less than 40%

Statistics of Management in 2023

Items	TCFHC		TCB		BNP TCB Life		TCS		CAM		TCBF		TCSIT		TCVC	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Senior Management ^{Note 1}	1	2	5	5	5	2	2	3	3	0	2	3	3	1	2	0
Management ^{Note 2} (including junior, middle and senior management)	5	5	876	1,181	22	10	36	45	12	3	17	12	6	7	3	2
Total Number of Employees	8	9	3,581	5,205	111	158	143	283	32	25	36	31	22	27	8	8
Ratio of Number of Managers to Total Number of Employees (%)	58.82		23.41		11.90		19.01		26.32		43.28		26.53		31.25	

Note 1. Senior management refers to position above executive vice presidents or supervisors of the equivalent position.

Note 2. Management refers to those who serve as managers (including junior, middle and senior management).

Statistics on Number of New Employees, Transferred or Promoted in 2023

• By Gender

Company	Number of New Employees		Number of Employees Transferred or Promoted	
	Male	Female	Male	Female
TCFHC	2	2	0	0
TCB	197	278	1,036	1,503
BNP TCB Life	39	56	10	14
TCS	15	29	8	20
CAM	1	3	3	3
TCBF	2	4	1	3
TCSIT	5	5	5	1
TCVC	3	2	0	0
Total	264	379	1,063	1,544

• By Working Location

Company	Number of New Employees	
	Domestic	Overseas
TCFHC	4	0
TCB	439	36
BNP TCB Life	95	0
TCS	44	0
CAM	4	0
TCBF	6	0
TCSIT	10	0
TCVC	5	0
Total	607	36

• By Age

Company	Number of New Employees			Number of Employees Transferred or Promoted		
	Below 30	Between 30 and 50	Above 50	Below 30	Between 30 and 50	Above 50
TCFHC	0	2	2	0	0	0
TCB	362	108	5	416	1,262	861
BNP TCB Life	7	57	31	1	21	2
TCS	9	26	9	0	24	4
CAM	1	2	1	0	6	0
TCBF	4	2	0	0	3	1
TCSIT	3	4	3	0	3	3
TCVC	2	3	0	0	0	0
Total	388	204	51	417	1,319	871

• By Race

Company	Number of New Employees			Number of Employees Transferred or Promoted		
	Taiwanese (not including indigenous people)	Foreigners	Indigenous Peoples	Taiwanese (not including indigenous people)	Foreigners	Indigenous Peoples
TCFHC	4	0	0	0	0	0
TCB	438	36	1	2,518	10	11
BNP TCB Life	95	0	0	24	0	0
TCS	44	0	0	28	0	0
CAM	4	0	0	6	0	0
TCBF	6	0	0	4	0	0
TCSIT	10	0	0	6	0	0
TCVC	5	0	0	0	0	0
Total	606	36	1	2,586	10	11

• By Managerial Positions

Company	Number of New Employees		Number of Employees Transferred or Promoted	
	Managerial Position	Non-Managerial Position	Managerial Position	Non-Managerial Position
TCFHC	2	2	0	0
TCB	3	472	814	1,725
BNP TCB Life	10	85	3	21
TCS	7	37	6	22
CAM	0	4	0	6
TCBF	2	4	3	1
TCSIT	3	7	4	2
TCVC	0	5	0	0
Total	27	616	830	1,777

• By Age

Company	Under 30				Between 30 and 50				Above 50			
	Voluntary		Involuntary		Voluntary		Involuntary		Voluntary		Involuntary	
	Resignation	Retirement	Death	Lay Off	Resignation	Retirement	Death	Lay Off	Resignation	Retirement	Death	Lay Off
TCFHC	1	0	0	0	0	0	0	0	0	1	0	0
TCB	104	0	0	0	79	7	1	6	2	257	9	0
BNP TCB Life	5	0	0	0	44	0	0	0	17	0	0	0
TCS	4	0	0	0	17	0	0	1	5	2	0	1
CAM	1	0	0	1	0	0	0	5	1	1	0	0
TCBF	2	0	0	0	0	0	0	0	0	0	0	0
TCSIT	2	0	0	1	7	0	0	0	3	0	0	0
TCVC	0	0	0	0	3	0	0	1	0	0	0	0
Total	119	0	0	2	150	7	1	13	28	261	9	1

Statistics of Employees Turnover in 2023

• By Gender

Company	Male				Female			
	Voluntary		Involuntary		Voluntary		Involuntary	
	Resignation	Retirement	Death	Lay Off	Resignation	Retirement	Death	Lay Off
TCFHC	0	1	0	0	1	0	0	0
TCB	92	105	7	3	93	159	3	3
BNP TCB Life	18	0	0	0	48	0	0	0
TCS	13	1	0	1	13	1	0	1
CAM	1	1	0	4	1	0	0	2
TCBF	0	0	0	0	2	0	0	0
TCSIT	7	0	0	0	5	0	0	1
TCVC	2	0	0	0	1	0	0	1
Total	133	108	7	8	164	160	3	8

• By Race

Company	Taiwanese (not including indigenous people)				Foreigners				Indigenous Peoples			
	Voluntary		Involuntary		Voluntary		Involuntary		Voluntary		Involuntary	
	Resignation	Retirement	Death	Lay Off	Resignation	Retirement	Death	Lay Off	Resignation	Retirement	Death	Lay Off
TCFHC	1	1	0	0	0	0	0	0	0	0	0	0
TCB	145	262	10	6	38	2	0	0	2	0	0	0
BNP TCB Life	66	0	0	0	0	0	0	0	0	0	0	0
TCS	26	2	0	2	0	0	0	0	0	0	0	0
CAM	2	1	0	6	0	0	0	0	0	0	0	0
TCBF	2	0	0	0	0	0	0	0	0	0	0	0
TCSIT	12	0	0	1	0	0	0	0	0	0	0	0
TCVC	3	0	0	1	0	0	0	0	0	0	0	0
Total	257	266	10	16	38	2	0	0	2	0	0	0

• By Working Location

Company	Domestic				Overseas			
	Voluntary		Involuntary		Voluntary		Involuntary	
	Resignation	Retirement	Death	Lay Off	Resignation	Retirement	Death	Lay Off
TCFHC	1	1	0	0	0	0	0	0
TCB	145	262	10	6	40	2	0	0
BNP TCB Life	66	0	0	0	0	0	0	0
TCS	26	2	0	2	0	0	0	0
CAM	2	1	0	6	0	0	0	0
TCBF	2	0	0	0	0	0	0	0
TCSIT	12	0	0	1	0	0	0	0
TCVC	3	0	0	1	0	0	0	0
Total	257	266	10	16	40	2	0	0

• By Managerial Position

Company	Managerial Position				Non-Managerial Position			
	Voluntary		Involuntary		Voluntary		Involuntary	
	Resignation	Retirement	Death	Lay Off	Resignation	Retirement	Death	Lay Off
TCFHC	0	1	0	0	1	0	0	0
TCB	2	122	4	0	183	142	6	6
BNP TCB Life	3	0	0	0	63	0	0	0
TCS	4	1	0	0	22	1	0	2
CAM	1	1	0	3	1	0	0	3
TCBF	0	0	0	0	2	0	0	0
TCSIT	4	0	0	0	8	0	0	1
TCVC	0	0	0	0	3	0	0	1
Total	14	125	4	3	283	143	6	13

Ratio of Investment and Income in Salary and Welfare Expenses from 2020 to 2023

Unit: NT\$ thousand

	2020	2021	2022	2023
Total Revenue	51,765,987	54,412,693	53,182,152	61,377,038
Total Operating Expenses	25,861,904	27,667,803	28,309,753	29,568,025
Total Employ-Related Expenses	16,573,977	18,236,308	17,541,280	17,292,237
Return on Human Capital Investment (ROI) = [Total Revenue-(Total Operating Expenses-Total Employ-Related Expenses)] / Total Employ-Related Expenses	2.5629	2.4666	2.4179	2.8395
Total Employees	9,527	9,600	9,713	9,775

Note: Relevant data is based on the Company's consolidated financial report.

2. Employee Satisfaction Survey

Company	Quantity of Questionnaires Sent Out	Quantity of Completed Questionnaires	Quantity/ Satisfaction Score	Valid Questionnaires						Employee Satisfaction Score	
				Male		Female		Under 30	Between 30 and 50		Above 50
				Managerial Position	Non-Managerial Position	Managerial Position	Non-Managerial Position				
TCFHC	16	16	Quantity	6	2	5	3	1	3	12	4.48
			Satisfaction Score	4.53	4.17	4.52	4.52	4.67	4.33	4.48	
TCB	8,224	7,619	Quantity	743	2,352	1,039	3,485	1,070	3,580	2,969	4.14
			Satisfaction Score	4.39	4.14	4.28	4.04	4.09	4.06	4.25	
BNP TCB Life	238	237	Quantity	19	72	15	131	12	193	32	3.99
			Satisfaction Score	4	4	4	4	4	4	4	
TCS	412	408	Quantity	38	104	44	222	9	263	136	4.19
			Satisfaction Score	4.29	4.25	4.18	4.15	4.41	4.18	4.19	
CAM	55	55	Quantity	10	22	3	20	6	35	14	3.82
			Satisfaction Score	4.03	3.78	3.88	3.74	3.95	3.71	3.80	
TCBF	63	60	Quantity	12	22	8	18	5	33	22	4.21
			Satisfaction Score	5	4	4	4	4.39	4	4	
TCSIT	51	42	Quantity	4	14	5	19	3	31	8	3.40
			Satisfaction Score	3.49	3.53	3.19	3.34	4.21	3.31	3.46	
TCVC	11	11	Quantity	2	2	2	5	4	6	1	4.21
			Satisfaction Score	4.92	3.87	3.74	4.31	4.20	4.14	4.84	
Average											4.13
Data Coverage Rate											93.14%

3. Impact Assessment of Material Topics

Material Topic	Sustainable Finance	Digital Finance
Scope of Impact	Financial products and services and operations	Financial products and services and operations
Business Activity Coverage	More than 50% of business activities	More than 50% of business activities
Type of External Stakeholder	Environment, society, and consumers	Environment, society, and consumers
Positive/Negative Impact	Directing capital flows to companies that may have a positive impact on the practice of sustainable development can encourage companies committed to ESG development and improve overall environmental and social benefits. However, if the company cannot effectively measure various ESG indicators of enterprises, it may invest investment funds in ESG-specific enterprises or projects that have a negative impact, while causing both positive and negative impacts on external stakeholders.	Guide customers from the past habit of using transportation to go to branches to handle financial services to use online channels, bringing customers a more convenient service experience and reducing the negative impact on the environment due to carbon emissions caused by transportation. However, if customers fail to use online services correctly may also lead to invalid or incorrect transactions, while causing both positive and negative impacts on external stakeholders.
Quantification of Output	<p>Producing green electricity helps reduce carbon emissions by 11,282.96 tCO₂e in total:</p> <p>As of the end of 2023, TCB's total installed capacity of approved renewable energy financing projects reached 2,855 MW. The green power generated by renewable energy devices will replace the consumption of traditional electricity and reduce the environmental impacts. TCB actively responds to the demands and expectations of stakeholders and use the environmental profit and loss assessment (EP&L) method to quantify the impact of green electricity production. With the total installed capacity of 2,855 MW of renewable energy projects in 2023, when calculated by 8 hours of power generation a day, 22.84 million kWh of green electricity can be generated to bring down CO₂e by 11,282.96 tCO₂e.</p>	<ul style="list-style-type: none"> • Online account opening helps reduce 27.07 tCO₂e from transportation and commuting: The Group guides consumers to use online services, which will bring about positive environmental benefits by reducing transportation and commuting associated with physical services. Based on the travel paths between the current addresses and the nearest branches of the 7,242 customers who opened their accounts online in 2023, the distance that is saved comes to 160,033.38 kilometers in total. With the environmental profit and loss (EP&L) assessment to quantify the reduced environmental impacts from saved transportation and commuting, the travel distance that could be saved in 2023 comes to 160,033.38 kilometers, which, when calculated by the carbon emissions generated with the saved automotive fuels, equals to a total of 27.07 tCO₂e. • Customers save a total of 4,828 hours of time and cost through online account opening: Actual statistics show that it takes 1 hour per person to open an account at the counter while only 20 minutes online. With 40 minutes saved per person with online account opening, it is 4,828 hours in total that could be saved for online customers of the Group in 2023.
Quantification of Influence	<p>Carbon reduction benefits worth NT\$ 81.16 million created:</p> <p>The impacts of quantification of the social cost coefficient of carbon dioxide equivalent (CO₂e) in the Technical Report on Social Cost of Carbon Emissions (Ahlroth, 2009) published by the US Environmental Protection Agency are referred to in the calculation of the environmental benefits of green electricity generated by renewable energy devices in reducing greenhouse gas emissions. As far as the co-efficient is concerned, the social cost of NT\$ 7,192.90 per ton of greenhouse gas emitted in 2023 is adopted and carbon reduction benefits worth NT\$ 81.16 million can be created in total in 2023. TCFHC Group supports projects that have positive impacts on the development of ESG through its core financial business and leads the environment and society in the development of a low-carbon economy.</p>	<ul style="list-style-type: none"> • Positive environmental benefits from reduced transportation and commuting: The impacts of quantification of the social cost coefficient of carbon dioxide equivalent (CO₂e) in the Technical Report on Social Cost of Carbon Emissions (Ahlroth, 2009) published by the US Environmental Protection Agency are referred to in the calculation of the environmental benefits of green electricity generated by renewable energy devices in reducing greenhouse gas emissions. As far as the co-efficient is concerned, the social cost of NT\$ 7,192.90 per ton of greenhouse gas emitted in 2023 is adopted and carbon reduction benefits worth NT\$ 194,712 can be created through online account opening of the Group in 2023. TCFHC Group guides its customers through change in their habit of using financial service taking advantage of its core financial business and works together for a sustainable society. • Economic benefits resulting from time and cost saved: The Group calculates the payable salary per minute of NT\$ 3.05 with the basic hourly pay of NT\$ 183 in Taiwan in 2024. If additional income can be earned with the time saved through online account opening for customers, the economic benefits that can be created will come to NT\$ 883,524. TCFHC Group provides customers with more complete and convenient financial service experience and works with customers to increase their economic contribution to society.

4. GRI Standards Index

Terms of Use	TCFHC Sustainability Report was prepared according to the GRI standards, and the period of the information disclosure for the Report was from January 1, 2023, to December 31, 2023.
GRI Used	GRI 1 : Foundation 2021
Applicable GRI Sector Standards	GRI has not announced its sector standards

General Disclosures

GRI Standards	Disclosure Category	Corresponding Section	Page Number	Supplementary Remarks
GRI 2 : General Disclosures 2021	The organization and its reporting practices			
	2-1 Organizational details	1.1 Introduction of TCFHC	P.13	
	2-2 Entities included in the organization's sustainability reporting	Report Overview	P.2	
	2-3 Reporting period, frequency and contact point			
	2-4 Restatements of information	-	-	Information in the previous period has not been revised
	2-5 External assurance	Report Overview Appendix 9. BSI Independent Assurance Opinion Statement Appendix 10. CPA Limited Assurance Report Appendix 11. Summary of Assurance Items	P.2 P.176 P.177 P.178-181	
	Activities and workers			
	2-6 Activities, value chain and other business relationships	1.1 Introduction of TCFHC	P.13-14	
	2-7 Employees	Appendix 1. Composition of Employee	P.160	
	2-8 Workers who are not employees		-	The Company does not employ such workers
	Governance			
	2-9 Governance structure and composition	2.2 Sustainable Development Committee 3.1 Corporate Governance	P.22 P.48-50	
	2-10 Nomination and selection of the highest governance body			
	2-11 Chair of the highest governance body			
	2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Sustainable Development Committee 2.3 Material Topics and Stakeholder Engagement	P.22 P.29	
2-13 Delegation of responsibility for managing impacts	3.1 Corporate Governance	P.50		
2-14 Role of the highest governance body in sustainability reporting	4.1 Climate Strategies and Actions	P.75		
2-15 Conflicts of interest	3.1 Corporate Governance	P.48-49		

GRI Standards	Disclosure Category	Corresponding Section	Page Number	Supplementary Remarks	
GRI 2 : General Disclosures 2021	2-16 Communication of critical concerns	2.3 Material Topics and Stakeholder Engagement	P.26-28 P.50		
	2-17 Collective knowledge of the highest governance body	3.1 Corporate Governance 4.1 Climate Strategies and Actions	P.52 P.76		
	2-18 Evaluation of the performance of the highest governance body		P.51		
	2-19 Remuneration policies				
	2-20 Process to determine remuneration	3.1 Corporate Governance	P.52-53		
	2-21 Annual total compensation ratio				
	Strategy, policies and practices				
	2-22 Statement on sustainable development strategy	Message from the Chair	P.3-5		
	2-23 Policy commitments	1.1 Introduction of TCFHC 3.2 Ethical Management 4.1 Climate Strategies and Actions 4.3 Sustainable Finance 5.1 Protection of Customer Rights 5.3 Financial Inclusion 6.3 Occupational Safety and Health 6.4 Human Rights and Equality 7.1 Green Operation	P.16 P.54 P.75、81 P.87 P.98 P.105 P.123 P.128 P.134		
	2-24 Embedding policy commitments	1.1 Introduction of TCFHC 3.2 Ethical Management 4.1 Climate Strategies and Actions 4.3 Sustainable Finance 5.1 Protection of Customer Rights 5.3 Financial Inclusion 6.3 Occupational Safety and Health 6.4 Human Rights and Equality 7.1 Green Operation	P.16 P.54 P.75、81 P.87 P.98 P.105 P.123 P.128 P.134		
	2-25 Processes to remediate negative impacts	2.3 Material Topics and Stakeholder Engagement	P.33-36		
	2-26 Mechanisms for seeking advice and raising concerns	3.2 Ethical Management	P.55-56		
	2-27 Compliance with laws and regulations	3.4 Legal Compliance, Anti-Money Laundering and Combating the Financing of Terrorism	P.65		
	2-28 Membership associations	1.2 Business Strategies and Profitability	P.19		
	Stakeholder engagement				
	2-29 Approach to stakeholder engagement	2.3 Material Topics and Stakeholder Engagement	P.24-28		
	2-30 Collective bargaining agreements	6.4 Human Rights and Equality	P.132		

Material Topics

Disclosures on Material Topics

GRI Standards	Disclosure Category	Corresponding Section	Page Number	Supplementary Remarks
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.3 Material Topics and Stakeholder Engagement	P.29	
	3-2 List of material topics		P.30	
	3-3 Management of material topics		P.30-46	

Particular Topic Standards

GRI Standards	Disclosure Category	Corresponding Section	Page Number	Supplementary Remarks
Management of Climate Change				
201 Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate	4.1 Climate Strategies and Actions	P.77-78	
Ethical Management				
205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	3.2 Ethical Management	P.54	
	205-2 Communication and training about anti-corruption policies and procedures		P.54-55	
	205-3 Confirmed incidents of corruption and actions taken		P.55	
206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2 Ethical Management	P.55	
Employee Remuneration and Benefits				
201 Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2 Business Strategies and Profitability	P.15	
	201-3 Defined benefit plan obligations and other retirement plans	6.1 Talent Recruitment and Retention	P.116	
	201-4 Financial assistance received from government	-	-	No government-related financial assistance this year
401 Employment 2016	401-1 New employee hires and employee turnover	6.1 Talent Recruitment and Retention 6.2 Career Management and Learning Appendix 1. Composition of Employee	P.111 P.117 P.163-165	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	6.1 Talent Recruitment and Retention	P.114-117	
	401-3 Parental leave		P.115	
Human Rights and Equality and Diversity				
405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.1 Corporate Governance 6.1 Talent Recruitment and Retention Appendix 1. Composition of Employee	P.49 P.111 P.161-162	
	405-2 Ratio of basic salary and remuneration of women to men	6.1 Talent Recruitment and Retention	P.113	
406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.4 Human Rights and Equality	P.130	

GRI Standards	Disclosure Category	Corresponding Section	Page Number	Supplementary Remarks
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	6.4 Human Rights and Equality	P.132	
409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		-	No incident of forced labor occurred this year
Legal Compliance				
417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	5.1 Protection of Customer Rights	P.100	
	417-2 Incidents of non-compliance concerning product and service information and labeling		-	No relevant violations this year
	417-3 Incidents of non-compliance concerning marketing communications			
Protection of Customer Rights and Information Security				
418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.6 Privacy Protection	P.73	

General Topics

Disclosures on General Topics

GRI Standards	Disclosure Category	Corresponding Section	Page Number	Supplementary Remarks	
Green Operation					
302 Energy 2016	302-1 Energy consumption within the organization	7.1 Green Operation	P.138		
	302-3 Energy intensity		P.138		
	302-4 Reduction of energy consumption		P.138-139		
303 Water and Effluents 2018	303-3 Water withdrawal		P.140		
305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions		P.136		
	305-2 Energy indirect (Scope 2) GHG emissions				
	305-3 Other indirect (Scope 3) GHG emissions				
	305-4 GHG emissions intensity				
	305-5 Reduction of GHG emissions			P.135	
306 Waste 2020	306-3 Waste generated		P.141		
	306-4 Waste diverted from disposal				
	306-5 Waste directed to disposal				
Training and Development					
404 Training and Education 2016	404-1 Average hours of training per year per employee	6.2 Career Management and Learning	P.118		
	404-2 Programs for upgrading employee skills and transition assistance programs		P.119-121		
	404-3 Percentage of employees receiving regular performance and career development reviews		P.121-122		

5. Comparison Table of Sustainability Accounting Standards Board (SASB)

Disclosed Topic	Code/Metric	Nature	Disclosure Indicator	Description	Page Number
Data Security	FN-CB-230a.1.	Quantitative	<ul style="list-style-type: none"> Number of data breaches Percentage involving personally identifiable information (PII) Number of account holders affected 	There was no incident of data breach in TCFHC in 2023	P.73
	FN-CB-230a.2.	Qualitative	Description of approach to identifying and addressing information security risks	3.5 Information Security	P.69-72
Financial Inclusion and Capacity Building	FN-CB-240a.1.	Quantitative	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	5.3 Financial Inclusion	P.106
	FN-CB-240a.2.	Quantitative	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	5.3 Financial Inclusion	P.106
	FN-CB-240a.3.	Quantitative	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	In 2023, there was no such circumstance occurring to TCB of providing unbanked or underbanked customers with no-cost retail checking accounts	-
	FN-CB-240a.4.	Quantitative	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	8.2 Joyful Learning	P.149
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1.	Quantitative	Commercial and industrial credit exposure, by industry	For details of the indicators, please refer to page 115 of the 2023 and 2022 TCB unconsolidated financial statements. TCB's industries with more than 4% risk exposures include the railway transportation, real estate development, financial leasing, computer and peripheral equipment manufacturing, petroleum and coal products manufacturing, iron and steel refining, electronics, wholesale of electronic equipment and parts, spinning of cotton and yarn, LCD panel and component manufacturing, wire and cable manufacturing, computer manufacturing, etc.	-
	FN-CB-410a.2.	Qualitative	Description of approach to incorporation of ESG factors in credit analysis	4.3 Sustainable Finance	P.90-96
Business Ethics	FN-CB-510a.1.	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	There was no similar incidents occurring in TCFHC in 2023	-
	FN-CB-510a.2.	Qualitative	Description of whistleblower policies and procedures	3.2 Ethical Management	P.55-56
System Risk Management	FN-CB-550a.1.	Quantitative	Global Systemically Important Bank (G-SIB) score by category	This indicator is not applicable to TCB given that TCB is not categorized as a G-SIB	-
	FN-CB-550a.2.	Qualitative	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	3.3 Risk Management and Audit System	P.57-59

6. Items for Enhanced Disclosure According to the Rules Governing the Preparation and Filing of Corporate Social Responsibility Report by TWSE Listed Companies

Content of Disclosure	Corresponding Section	Page Number
Number of information leakage incidents, proportion of information leakage incidents related to personal information, and number of customers affected by information leakage incidents	3.5 Information Security 3.6 Privacy Protection	P.71 P.73
Number of loans and the balance of loans to promote the development of small businesses and communities	5.3 Financial Inclusion	P.106
Number of participants in providing financial education to underserved disadvantaged groups	5.1 Protection of Customer Rights 5.3 Financial Inclusion 8.2 Joyful Learning	P.99 P.108 P.149
Products and services designed by each operating units to create social or environmental benefits	4.3 Sustainable Finance	P.89 P.91 P.94

7. TCFD Index

Aspect	Proposed Disclosure Category	Corresponding Section	Page Number
Governance	Description of Board of Directors monitoring climate-related risks and opportunities	4.1 Climate Strategies and Actions 7.1 Green Operation	P.75
	Description of the role of management in assessing and managing climate-related risks and opportunities		P.75
Strategies	Description of short, medium, and long-term climate-related risks and opportunities identified by the organization		P.76-77
	Description of the impact of climate-related risks and opportunities on the organization's business, strategies, and financial planning		P.77
	Description of the organization's strategic resilience and consider different climate-related scenarios (including 2°C or more severe scenarios)		P.79
Risk Management	Description of the organization's processes for identifying and assessing climate-related risks		P.80
	Description of the organization's processes for managing climate-related risks		P.80
	Description of how the organization's process of identifying, assessing, and managing climate-related risks are integrated into its overall risk management system		P.81
Metrics and Targets	Exposure of indicators used by the organization to assess climate-related risks and opportunities following its strategies and risks		P.82
	Exposure of Scope 1, 2 and 3 GHG emissions and associated risks		P.136
	Description of the targets used by the organization for climate-related risks and opportunities and performance of implementing its targets	P.82	

8. Comparison Table of Implementation Status of Climate-related Information of TWSE Listed Companies

The risks and opportunities associated with climate change on the Company and related responsive measures adopted

Item	Page Number
Description of the role of the Board of Directors and managers in monitoring and managing climate-related risks and opportunities	P.75
Description of the impact of climate-related risks and opportunities identified on the organization's business, strategies, and financial planning (short-, medium-, long-term)	P.77-78
Description of impacts of extreme climates and transition actions on finance	P.77
Description of how the organization's processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system	P.80
If scenario analysis is adopted to evaluate climate resilience, the scenario, parameters, assumptions, factor analysis, and main financial impacts should be explained	P.79
If there is a transition plan for managing climate-related risks, explain the contents of the plan and the indicators and targets used to identify and manage physical and transition	P.78 P.82
If internal carbon pricing is adopted as a planning tool, the basis for price determination should be explained	P.137
If climate-related goals are set, the activities included, scope of GHG emissions, schedule plan, annual achievement progress and other information should be explained. If carbon offsets or renewable energy certificates (RECs) are adopted to achieve relevant targets, the sources and quantity of carbon offset credits or the quantity of RECs should be explained	P.135-139
GHG inventory and assurance, reduction targets, strategies and specific action plans	P.134-136

8-1 Company GHG Inventory and Assurance Status in the Past 2 Years

8-1-1 GHG Inventory Information

Specify the GHG emissions (tCO ₂ e), intensity (tCO ₂ e/NT\$ million), and data coverage over the past 2 years
<ul style="list-style-type: none"> In 2022 and 2023, the GHG data was checked in accordance with the Operation Control Law. The verified GHG emissions in categories 1, 2, and 3 (excluding investment and financing) were approximately 30,489 tCO₂e and 28,094 tCO₂e respectively. In 2022 and 2023, the GHG intensity (tCO₂e/NT\$ million) were approximately 0.5733 and 0.4577 respectively. The information coverage in 2022 and 2023 is 334 and 335 locations at home and abroad.

8-1-2 GHG Inventory Assurance Information

Specify assurance over the past 2 years, including the scope of assurance, assurance institution, assurance principles, and assurance feedback.



GHG emissions in 2022 and 2023 have been verified by third-party verification units British Standards Institution (BSI) and Afano International Co., Ltd. (AFNOR) in accordance with "ISO 14064-3:2006". The data quality certification complies with "ISO 14064-1:2018" stipulates that the assurance level of direct GHG emissions and indirect GHG emissions of input energy is a reasonable assurance level, and the assurance level of other indirect greenhouse gases is a limited assurance level, and both have no reservations and have obtained verification statements. Among them, 5 categories in "Scope 3" in 2022 have been verified by third parties, including purchased products and services, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, and business travel. In 2023, 8 categories in "Scope 3" in 2022 have been verified by third parties, including purchased products and services, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, downstream transportation and distribution, use of sold products, and end-of-life treatment of sold products.

8-2 GHG reduction targets, strategies and specific action plans

Specify the GHG reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets

- Based on the SBT, we set a reduction target of 50.4% in absolute emissions in 2032 from our own operations (Scope 1 plus 2) compared to the base year 2021 (approximately 27,738 tCO₂e), with an average annual decrease of 4.58%, so the reduction target in 2023 is a decrease of 9.16% compared with 2021.
- GHG emissions of Scope 1 plus Scope 2 in 2023 were approximately 24,481 tCO₂e, a decrease of approximately 18.9% compared to the base year 2021, achieving the 2023 reduction target.
- Specific Action Plans:
 1. Conduct GHG inventory every year in accordance with the "ISO 14064-1 Greenhouse Gas Inventory" standard, track emission reduction results, and publicly disclose in the Sustainability Report.
 2. Introduce "ISO 14001 Environmental Management System", "ISO 50001 Energy Management System" and "ISO 46001 Water Resources Efficiency Management System" to effectively manage the consumption of various energy resources and reduce carbon emissions.
 3. Promote energy conservation and carbon reduction projects, close vertical and horizontal signboards and unnecessary lighting equipment at operating locations, replace and reduce lighting fixtures, and improve energy conservation of air conditioning systems.
 4. Promote energy conservation and carbon reduction measures in conjunction with government energy conservation diagnostic services.
 5. Encourage remote colleagues to share official cars or take public transportation, and encourage video conferencing to be given priority to reduce energy and resource consumption.
 6. By 2023, a total of 11 locations will have completed the installation of solar panel power generation systems, with the actual total power generation reaching 260,000 kWh, and 24,464,700 kWh of renewable energy were purchased.
 7. Prioritize the use of environmentally friendly products with environmental protection labels, energy-saving labels, water-saving labels, and sustainable forestry labels.

9. BSI Independent Assurance Opinion Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

Taiwan Cooperative Financial Holdings 2023 Sustainability Report

The British Standards Institution is independent to Taiwan Cooperative Financial Holdings Co., Ltd. (hereafter referred to as TCFHC in this statement) and has no financial interest in the operation of TCFHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of TCFHC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by TCFHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to TCFHC only.

Scope

The scope of engagement agreed upon with TCFHC includes the followings:

1. The assurance scope is consistent with the description of Taiwan Cooperative Financial Holdings 2023 Sustainability Report.
2. The evaluation of the nature and extent of the TCFHC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Taiwan Cooperative Financial Holdings 2023 Sustainability Report provides a fair view of the TCFHC sustainability programmes and performances during 2023. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the TCFHC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate TCFHC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that TCFHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to TCFHC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on TCFHC's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholder to conduct interview.
- interview with 25 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that TCFHC has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the TCFHC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The TCFHC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of TCFHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the TCFHC's materiality assessment process and management and performance. In our professional opinion the report covers the TCFHC's material issues.

Responsiveness

TCFHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the TCFHC is developed and continually provides the opportunity to further enhance TCFHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the TCFHC's responsiveness issues.

Impact

TCFHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. TCFHC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the TCFHC's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, TCFHC and BSI have agreed upon to include in the scope. In our view, the data and information contained within Taiwan Cooperative Financial Holdings 2023 Sustainability Report are reliable based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

TCFHC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the TCFHC's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the TCFHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan




AA1000
Licensed Report
000-4/V3-J2E0F

Statement No: SRA-TW-805189
2024-05-14

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10. CPA Limited Assurance Report

 **資誠**

Independent Limited Assurance Report

PWCM2400056

To Taiwan Cooperative Financial Holding Co., Ltd.:

The accountant has been engaged by Taiwan Cooperative Financial Holding Co., Ltd. ("Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2023 Sustainability Report, (hereinafter referred to as the "Identified Key Performance Indicators"), and has issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 178 to page 181 of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "Scope and Boundary" on page 2 of the Sustainability Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability and FAQ issued by TWSE Listed Companies, the latest edition of the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI), disclosure standards issued by the Sustainability Accounting Standards Board (SASB) for the Commercial Banks industry, and related laws and regulations and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported (hereinafter referred to as the "Applicable Criteria").

Management's Responsibility


The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

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

2

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 **資誠**

The Accountant's Compliance of Independence and Quality Management Requirement

The accountant and our firm are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The Accountant's Responsibilities

The accountant's responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures the accountant performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, the accountant:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and

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- Based on the above understanding and the areas identified, performed analytical procedures on the Identified Key Performance Indicators on a selective basis, including inquiries, observation, inspection, and re-performance to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, the accountant does not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. The accountant has no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the Applicable Criteria have been subsequently modified.


Chi, Shu-Mei

For and on behalf of PricewaterhouseCoopers, Taiwan
30th June, 2024

4

11. Summary of Subject Matter Assured

Indicator Number	The Selected Key Performance Indicators	Applicable Standard	Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies	Page Number
Indicator 1	In 2023, TCFHC Group encountered no personal data leakages.	Referred to the first point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-230a.1 and based on the definition of data leakage of "TCFHC Regulation on Handling Computer Security Incidents", the number of data leakage cases of personal information during Internet data transmission and e-mail was calculated at TCFHC, its subsidiaries (TCB, TCBF, TCS, CAM, BNP TCB Life, TCSIT, and TCVC) and sub-subsidiaries (United Taiwan Bank and Cooperative International Leasing Corporation Limited) in 2023.	Attachment 1-3 of Article 4 (Number 1)	P.73
Indicator 2	In 2023, TCFHC Group encountered no percentage of information breaches related to personal data.	Referring to the second point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-230a.1 and based on the scope of data leakage defined in "TCFHC Regulations on Handling Computer Security Incidents", the 2023 percentage of personal data leakage due to data leakage was calculated at TCFHC, its subsidiaries (TCB, TCBF, TCS, CAM, BNP TCB Life, TCSIT, and TCVC) and its sub-subsidiaries (United Taiwan Bank and Taiwan Cooperative International Leasing Corporation Limited) in 2023. Numerator: The number of personal data breaches that occurred in 2023 as defined by "TCFHC Regulations on Handling Computer Security Incidents". Denominator: The total number of data leakage cases in 2023. Considering that the data leakage defined by TCFHC refers to personal data leakage through data transmission on the Internet and e-mail, the numerator equals the denominator. If there are data leakages, the percentage of data leakage related to personal information will be 100%.	Attachment 1-3 of Article 4 (Number 1)	P.73
Indicator 3	In 2023, TCFHC Group encountered no number of customers affected, and no violation of personal influence protection.	Referred to the third point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-230a.1 and based on the definition of data leakage of "TCFHC Regulation on Handling Computer Security Incidents", the number of customers affected due to data leakage during Internet data transmission and e-mail was calculated at TCFHC, its subsidiaries (TCB, TCBF, TCS, CAM, BNP TCB Life, TCSIT, and TCVC) and sub-subsidiaries (United Taiwan Bank and Cooperative International Leasing Corporation Limited) in 2023.	Attachment 1-3 of Article 4 (Number 1)	P.73
Indicator 4	As of the end of 2023, TCB had 71,252 accounts with an outstanding SME loan balance that accumulated loan balance were NT\$831 billion.	Referring to the first to second point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-240a.1, and based on the qualifications as SMEs defined by the "Ministry of Economic Affairs Standards for Identifying Small and Medium-sized Enterprises" and the "Operational Manual of Small and Medium Enterprise Credit Guarantee Fund of Taiwan", the total number of SMEs with loans from TCB and the total loan amounts were calculated as of the end of 2023. The statistics of the number of households for debt collections and non-accrual loans were calculated based on the first to second point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-240a.2. The number of SMEs loan accounts with remaining balance includes the total number of SMEs with NTD and FCY loans, loans lent from customers deemed to be SMEs, land construction financing cases, and customers who have not fully repaid their loans. The loan balance is the total of the outstanding balance of the customers in the cases mentioned above (including non-accrual loans).	Attachment 1-3 of Article 4 (Number 2)	P.106

Indicator Number	The Selected Key Performance Indicators	Applicable Standard	Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies	Page Number
Indicator 5	As of the end of 2023, the total number of TCB "Urban Renewal and Time-worn Building Reconstruction Financing Projects" being undertaken was 242 totaling NT\$174.19 billion.	<p>Referring to the first point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-240a.1 and based on the scope of urban renewal and risky/old building reconstruction defined in the "Urban Renewal Act", and the "Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings", the statistics of the cumulative number of approved accounts and the cumulative approved limit for the urban renewal and risky/old building reconstruction that meet the requirements of TCB were calculated as of the end of 2023. The statistics of the number of accounts for debt collections and non-accrual loans were calculated based on the first to second point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-240a.2.</p> <p>The urban renewal and risky/old building reconstruction services include urban renewal and risky/old building reconstruction cases that have been approved by the government or in the process of being approved. The total approved accounts are the total accounts from the initiation of the project to the end of 2023. The cumulative approved limit is the total approved limit (including non-accrual loans) from the initiation of the project to the end of 2023.</p>	Attachment 1-3 of Article 4 (Number 2)	P.105
Indicator 6	To support the policies stipulated by competent authorities, TCB has participated in the "Financial Literacy Campaign for the Campus and Community". Professional lecturers from TCB visit different areas, where they impart financial knowledge to different people, including elementary school students, junior high school students, senior high and vocational high school students, college students, communities, elderly people, people with physical and mental disabilities, military officers, correction institutions, and social welfare groups. In 2023, 56 events were held.	Referred to the first point of the technical guidance of SASB Commercial Banks Sustainability Accounting Standard-FN-CB-240a.4, Point 36 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies- Q & A" in 2023 (such as students, teenagers, new immigrants, the elderly, ethnic minorities, and low-income households) and TCB's own definition of disadvantaged groups (such as members of the military, correctional institutions, and social welfare groups) who are less likely to obtain financial information, the number of financial education and training sessions provided by TCB to disadvantaged groups who lack financial services in 2023 was calculated.	Attachment 1-3 of Article 4 (Number 3)	P.149
Indicator 7	In 2023, TCB undertook the "Housing Loans for Youths" by the Ministry of Finance with 3,465 new transactions and the amount newly disbursed was NT\$22.998 billion.	<p>In 2023, TCB provided qualified parties that meet the the "Principles of Preferential Housing Purchase Loans for Youth Undertook by State-owned Banks"with mortgage.</p> <p>The disclosure of the preferential housing loans for youths only includes the number of loan accounts with preferential interest rates and the loan amount disbursed in 2023. The number of new transactions is the total number of newly approved loan accounts in 2023, and the amount newly disbursed is the total amount of the actual loan disbursed in 2023 (including non-accrual loans).</p>	Attachment 1-3 of Article 4 (Number 4)	P.107
Indicator 8	In 2023, TCB undertook the Loan for Start-up Assistance for the Unemployed of Employment Insurance, Unemployed Middle-Aged and Elderly Citizens Business Start-up Loan, and Micro/Women Start-up Loan with 118 new transactions and the amount newly disbursed was NT\$83 million.	<p>In 2023, TCB provided qualified parties who meet the "Regulations for Start-up Assistance for the Unemployed of Employment Insurance", "Directions for Business Start-up Loan and Interest Subsidy for the Unemployed Middle-Aged and Elderly Persons" and "Regulations for Micro/Women Startup Loan" with loans.</p> <p>The number of new transactions for start-up assistance for the unemployed of employment insurance, Start-up Assistance for Unemployed Middle-aged Persons and Elderly Persons and micro/women start up is the total number of newly approved loans in 2023. The amount newly disbursed is the total amount lent in 2023 (excluding non-accrual loans).</p>	Attachment 1-3 of Article 4 (Number 4)	P.106

Indicator Number	The Selected Key Performance Indicators	Applicable Standard	Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies	Page Number
Indicator 9	In 2023, TCB undertook the Loan for Youth Entrepreneurship and Startup Capital with 2,545 new transactions and the amount newly disbursed was NT\$2.267 billion.	In 2023, TCB provided qualified parties who meet the "Regulations for Loans for Youth Entrepreneurs and Startup Capital" with loans. The number of new transactions for youth entrepreneurs is the total number of newly approved loans in 2023. The amount newly disbursed is the total amount lent in 2023 (excluding non-accrual loans).	Attachment 1-3 of Article 4 (Number 4)	P.107
Indicator 10	TCB has undertaken the "Full Loan for Housing-based Elderly Care", with 273 new cases and approved loans totaling NT\$2.01 billion in 2023. There are 2,744 loans approved (among them, 1,817 cases include those who have no income or whose monthly salary is less than the minimum wage) for a total of NT\$16.98 billion.	In 2023, TCB provided loans related to "Reverse Mortgage" that met the "Credit Regulations for Members of the Bankers Association of the Republic of China". Full Loan for Housing-based Elderly Care are loans for domestic natural persons over 60 years old for household consumption and nursing purposes. The number of new loans in 2023 is the total number of loans approved in the current year, and the newly approved loan limit in 2023 is the total approved loan limit (excluding non-accrual loans) in the current year. The cumulative approved loan limit is the total approved loan limit from the initiation of the project to the end of 2023 (excluding non-accrual loans).	Attachment 1-3 of Article 4 (Number 4)	P.108
Indicator 11	TCB property trust for the disabled had 140 new beneficiaries in 2023, and the principal of the new trust property has reached NT\$112 million. Property trust for the elderly newly added 8,174 beneficiaries, and the new trust property principal has amounted to NT\$8.013 billion in 2023.	Total number of beneficiaries added to the Seniors and the Disabled Property Trust Services by TCB in 2023 and the balance of trust property principal as shown in the "2023 Q4 Trust Business Statistics Quarterly Report" published by the Trust Association of R.O.C. in 2023.	Attachment 1-3 of Article 4 (Number 4)	P.107 、 108
Indicator 12	As of the end of 2023, TCB handled a loan balance of NT\$ 655.039 million for the "Six Core Strategic Industries Project Loans".	As of the end of 2023, TCB provided total credit limit and total outstanding balance to the loan recipients defined in the loan programs for 6 industries listed in the "Program for Promoting Six Core Strategic Industries" approved by the Executive Yuan on May 21, 2021. 6 industries include information and digital industries, cybersecurity industry, precision health industry, green and renewable energy industry, national defense and strategic industries, and people's livelihood and war preparedness industries.	Attachment 1-3 of Article 4 (Number 4)	P.91
Indicator 13	As of the end of 2023, TCB had participated in a total of 4 offshore wind power financing projects, issuing a total of NT\$3.854 billion in loans.	As of the end of 2023, TCB provided definitions of offshore wind farms related loans for "Special Purpose Company (SPC or SPV)", investors, initiators, or winning tenderers that won important government procurements. The definition meets "TCB Rules for Handling Project Financing". The total number of offshore wind power projects refers to the total of cases since the initiation of the project to the end of 2023, and the cumulative loan balance refers to the total of the loan balance (excluding non-accrual loans) from the initiation of the project to the end of 2023.	Attachment 1-3 of Article 4 (Number 4)	P.93
Indicator 14	The amount of green consumption loans of TCB is NT\$2.867 billion at the end of 2023.	In 2023, TCB undertook business related to green consumption loans in accordance with the "Administrative Directions of Applying for Approval of Green Building Label" promulgated by the Ministry of the Interior. The targets of green consumption loans are those who have obtained green building labels recognized by TCB, and the approved limit in 2023 refers to the total amount of newly approved loans in the current year (excluding non-accrual loans).	Attachment 1-3 of Article 4 (Number 4)	P.91

Indicator Number	The Selected Key Performance Indicators	Applicable Standard	Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies	Page Number
Indicator 15	Mean gender pay gap at TCFHC Group in 2023 is 1.86%.	$\frac{[\text{Compensation for male (average compensation /median compensation)}]-[\text{Compensation for female (average compensation/median compensation)}]}{[\text{Compensation for male (average compensation/median compensation)}]} \times 100\%$	TCFHC refers to the characteristics of its industry and the reported performance indicators or other standards formulated by itself	P.113
	Median gender pay gap at TCFHC Group in 2023 is -0.95%.			
	Mean bonus gap at TCFHC Group in 2023 is -0.18%.	<p>Targets of which information is collected: The individuals of TCFHC and its subsidiaries (TCB, TCBF, TCS, CAM, BNP TCB Life, TCSIT, and TCVC) who provide services to enterprises under the supervision of enterprises (excluding foreign salaried employees), excluding those who only have contractual relationships with enterprise, outsourcing or dispatched labor, and also excluding directors and supervisors.</p> <p>Salary: Refers to regular salaries such as salary, food allowance, supervisor's delay allowance, etc, excluding overtime pay, salaries for unused leaves, and other salaries payable.</p>		
	Median bonus gap at TCFHC Group in 202 is -6.07%.	Bonus: Refers to irregular earnings, including performance evaluation bonuses/ festival bonuses, performance bonuses, and employee remuneration. The difference in the average and median bonuses between male and female exclude targets of which information is collected who have not received bonuses.		
Indicator 16	Total days of absence of TCFHC Group in 2023: 6,724 days.	<ol style="list-style-type: none"> Absentee rate = (Total absent days/ total working days) x 100%. The total absent days refers to the total absent days of various sick leaves, taken by employees of TCFHC and its subsidiaries (TCB, TCBF, TCS, CAM, BNP TCB Life, TCSIT, and TCVC) during the year, such as occupational injuries, diseases, and flu, excluding scheduled or permitted absences such as holidays, study leave, maternity leave, or parental leave. Total working days = Number of employees at the end of year x number of working days. 	TCFHC refers to the characteristics of its industry and the reported performance indicators or other standards formulated by itself	P.125
	Absentee rate of TCFHC Group in 2023 : 0.29%.			
Indicator 17	In 2023, the total purchased electricity consumption of TCFHC Group's non-renewable energy consumption was 39,775.52 MWh, and the total purchased amount of renewable energy consumption was 2,244.66 MWh.	According to the 2023 electricity consumption data of the whole Group audited by third parties, the data coverage rate is calculated based on the proportion of inspected business locations of TCFHC and its subsidiaries (TCB, TCBF, TCS, CAM, BNP TCB Life, TCSIT, and TCVC), including all domestic and foreign business locations of TCFHC and its 7 subsidiaries and based on that.	TCFHC refers to the characteristics of its industry and the reported performance indicators or other standards formulated by itself	P.138
Indicator 18	The total water withdrawal of TCFHC Group in 2023 is 265,997 Kiloliters.	According to the 2023 water withdrawal data of the whole Group audited by third parties, the data coverage rate is calculated based on the proportion of inspected business locations of TCFHC and its subsidiaries (TCB, TCBF, TCS, CAM, BNP TCB Life, TCSIT, and TCVC), including all domestic and foreign business locations of TCFHC and its 7 subsidiaries and based on that.	TCFHC refers to the characteristics of its industry and the reported performance indicators or other standards formulated by itself	P.140



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