



Doing Good While Doing Well

CSR Report 2020

Sustainability Report

INDEX

| | |
|-------------------------|----|
| Report Overview | 03 |
| Letter from Chairman | 04 |
| Recognitions and Awards | 06 |
| Sustainable Performance | 08 |

Governance of Corporate Sustainable Development 10

| | |
|---|----|
| Sustainable Strategy and Vision | 11 |
| Sustainable Development Committee | 11 |
| Material Topics and Stakeholder Engagement | 12 |
| Communication Channels for Stakeholders | 17 |
| Implementation of 2020 CSR Strategies and Goals | 20 |

Achievements of COVID-19 Pandemic Prevention and Financial Relief Measures 34

Corporate Governance 36

| | |
|--|----|
| 1.1 About TCFHC | 37 |
| 1.2 Corporate Governance | 42 |
| 1.3 Ethical Management | 45 |
| 1.4 Risk Management and Audit System | 47 |
| 1.5 Legal Compliance, Anti-Money Laundering, and Combat of Terrorism Financing | 53 |
| 1.6 Information Security | 55 |

Customer Care 58

| | |
|---|----|
| 2.1 Sustainable Finance | 59 |
| 2.2 Digital Finance | 66 |
| 2.3 Protecting Customer Rights and Increasing Customer Satisfaction | 70 |
| 2.4 Financial Inclusion | 74 |

Employee Care 76

| | |
|---|----|
| 3.1 Composition of Employees | 77 |
| 3.2 Employee Remunerations and Benefits | 78 |
| 3.3 Career Management and Learning | 81 |
| 3.4 Occupational Safety and Health | 84 |
| 3.5 Human Rights and Equity | 87 |

Environmental Sustainability 88

| | |
|---|----|
| 4.1 Management of Climate Change Risk | 89 |
| 4.2 Green Operations | 92 |
| 4.3 Green Procurement and Supplier Management | 95 |

Public Interests 96

| | |
|-------------------------|-----|
| 5.1 Joyful Learning | 97 |
| 5.2 Healthy Living | 100 |
| 5.3 Community Stability | 102 |
| 5.4 Attendance and Care | 103 |

Appendix 106

| | |
|--|-----|
| GRI Standards Index | 107 |
| G4 Financial Industry Disclosures | 110 |
| Items for Enhanced Disclosure According to the Rules Governing the Preparation and Filing of Corporate Social Responsibility Report by TWSE Listed Companies | 111 |
| Comparison Table of Sustainability Accounting Standards Board (SASB) | 111 |
| List of Assured Items | 112 |



Report Overview

Principles of Compilation

This report is set to disclose the information by following the core options and financial industry supplementary guidelines of the GRI Standards published by Global Reporting Initiatives, "the Rules Governing the Preparation and Filing of Corporate Social Responsibility Report by TWSE Listed Companies" ratified by TWSE, "Task Force On Climate-Related Financial Disclosures (TCFD)" by Financial Stability Board, and the guidelines earmarked for commercial bank published by Sustainability Accounting Standards Board.

The Reporting Period

Taiwan Cooperative Financial Holding Company (TCFHC) has published the annual Sustainability Report for 7 consecutive years since 2014. This report discloses the results that TCFHC has achieved on environmental, social, and corporate governance in the 2020 fiscal year (January 1, 2020 through December 31, 2020). Part of the information can be either traced back to the outcome achieved prior to 2020 or extended to the latest development in 2021, a continuity of information for exhibiting differences and changes in related data.

Scope and Framework

This report covers those of TCFHC and its 7 subsidiaries (Taiwan Cooperative Bank, Taiwan Cooperative Securities, Taiwan Cooperative Bills Finance, Co-operative Assets Management, Taiwan Cooperative Securities Investment Trust, Taiwan Cooperative Venture Capital, and BNP Paribas Cardif TCB Life Insurance) with the operational activities in Taiwan as the scope. In this report, "the Company" hereinafter refers to as TCFHC itself, and "the Group" hereinafter refers to both TCFHC and its 7 subsidiaries.

Calculation Basis

All of the information and statistical data contained in this report were collected from surveys and estimations undertaken by TCFHC itself. The methods for performing the collection, measurements, and estimation of the numerical information are compliant with relevant regulatory requirements. If there is no applicable regulatory framework, then international standards shall be adopted or opting to adopt industry standard and customs, if it happens to lack applicable international standard. All of the financial statistics take NT\$ as the unit for estimation. The financial statistics contained in the section of operational performance are cited from the CPA certified financial statements.

Information of Publication

The report has been published on the website of the Company (<http://www.tcfhc.com.tw>) periodically on a yearly basis. The last edition of the report was published in August 2020. The edition for this year's, is scheduled to publish in August 2021. The English version of the report has been published since 2019, which is available for download at the Sustainable Development zone on the official TCFHC website.

Management of the Report

Internal Audit: This report has been reviewed by the TCFHC Board of Directors prior to being made public.

External Certification ^(Note):

Financial data: Unreserved opinion audit report (Deloitte & Touche)

Sustainable data: Engaging in independently limited assurance by following the Statements of Assurance Engagements Standards (SAES) No.1 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (PricewaterhouseCoopers Taiwan)

Environmental data: ISO 14064-1 【BSI】 , ISO 50001 【BSI】 , ISO 14001 【BSI】

Governance data: BS10012:2017【BSI】 , TPIPAS【BSI】 , TIPS【Bureau of Industry】

Vocational Safety and Health data: ISO 45001 【BSI】

(Note): Some of the certifications are acquired by subsidiaries alone, which are not applicable to the Group.



For comments or advices, please contact:

TCFHC Sustainability Office

Address: No.225, Section 2, Chang'An East Road, Taipei, Taiwan, R.O.C.

Tel: +886-2-21738888

Fax: +886-2-27408023

Website: www.tcfhc.com.tw

Email: ESG@tcfhc.com.tw



TCFHC

Letter from Chairman

Achieving Sustainable Development, and Moving towards a Sustainable and Innovative Future

With COVID-19 pandemic sweeping through the globe and climate change intensifying, global economic activities and life pattern of human being has been impacted on drastically, a situation that has made environmental, social, and governance (ESG) an issue with growing concern. Faced with challenges that come one after another in such a turbulent era, sustainable finance is an indispensable power that could propel the sustainable development of the society. As such, TCFHC has made necessary preparations with innovative thoughts to tackle these severe challenges so as to honor its commitment to realizing corporate sustainable development. TCFHC will work hand in hand with all the stakeholders to pursue economic, environmental and social inclusion, for making the Company more resilient.

Despite of COVID-19 pandemic, TCFHC still managed to achieve a remarkable performance on operations in 2020, generating a net income of NT\$17.135 billion that represented 18.96% growth from the adjusted budget set a year ago. Both the earning per share and return on equity have hit historical high by reaching NT\$1.24 and 7.38% respectively. In addition, TCFHC has been actively integrating resources across the Group and undertaking different initiatives of sustainability to keep in line with the UN's Sustainable Development Goals (SDGs). TCFHC's efforts have been widely recognized in different forms including receiving "Sustainability and Resilience Excellence Award" from British Standard Institute (BSI), and being listed as a constituent in "FTSE4Good Emerging Index", "Taiwan Corporate Governance 100 Index", and "FTSE4Good TIP Taiwan ESG Index". TCFHC has also been granted with the "Best CSR Award" for the category of bank under financial holdings by Excellence magazine, and "Role Model Prize" for the category of "Enhancing Public Interests" under "CSR Award" initiated by Global View magazine.

While pursuing profitability, TCFHC cares more about sustainable development of the company and has continuously striven to push ahead with the blueprint for sustainable development by looking into the five aspects including corporate governance, customer care, employee care, environmental sustainability and public interests. In 2021, the Company has further set up a designated unit and a task force of sustainable finance under CSR committee for implementing the Group's strategy for sustainable development and sustainable finance. In addition, as part of the efforts to comply with international trend on sustainability, the TCFHC 2020 Sustainability Report has disclosed information on corporate sustainability and raised the transparency of non-financial information by following standards set by Sustainability Accounting Standards Board (SASB) as an active response to ESG issues that interest parties and investors have concerned.

Corporate Governance Refinement

TCFHC has accomplished both internal and external performance evaluation on the Board of Directors and functional committees in 2020 which were rated as either "excellence" or "advance". A seat earmarked for a female independent



director has also been set up to increase the diversity of the Board. TCFHC has also managed to incorporate into the risk management scope of emerging risks resulted from global economic, social, and climate changes, by establishing procedures of identification, measurement, supervision and control as the preparation for coping with emerging risks. Meanwhile, being highly attentive to the management of innovative and intellectual property, TCFHC is the first government affiliated financial holding company to pass the TIPS certification. As of the end of 2020, TCFHC had obtained 175 financial technology patents.

Keeping Abreast of Sustainability Trend

As an important financial propeller in Taiwan, TCFHC has made use of its financial core capability to guide industries to carry their responsibilities to environment and society by demonstrating its supports to international initiatives and signing on the declaration of Stewardship Principles for Institutional Investors so as to deepen environmental sustainability. In response to the demand generated through social development, TCFHC has rolled out a variety of inclusive financial products and services including sustainability bond, reverse mortgage, and other products linked to sustainable finance such as elder and disabled wealth trust, and has signed to support the "Task Force on Climate-related Financial Disclosures" (TCFD). TCFHC does not only take concrete move to support climate change related issues, but also promises to sign on equator principles in 2022 as a way to wield its financial influence.

In addition to continuously wielding influences through core financial business on sustainability, TCFHC has been keen on pursuing green operations by continuously expanding inspection points for obtaining certifications of ISO 14064-1 Greenhouse Gas emissions and ISO 50001 energy management system. In addition, TCFHC has taken measures to ensure green procurement by strengthening supplier management and stipulating bylaws to regulate suppliers follow requirements on environmental protection and labor human rights.

Expansion of Social Inclusion

For employee cares, insisting to make the Company a "well being enterprise", TCFHC has been working to build a friendly and healthy workplace, providing a comprehensive remuneration and benefits scheme, honoring employee care policy, and caring about employee's mental and physical health as well as work-life balance, so as to ensure the wellbeing of all employees. During the tough time caused by the pandemic, in addition to maintaining uninterrupted operations, rolling out various financial relief programs, and taking the initiative to contact clients for providing assistance, the Company has set up a "pandemic task force" to obtain the first hand pandemic information and thereby adopting appropriate countermeasures so as to ensure health of employees and customer service quality. TCFHC has also extended cares to the general society by donating goods and providing other substantive assistances to different non-profit and philanthropic organizations as a way of shouldering the Company's social responsibility.

In prospect, TCFHC will continue to follow international initiatives, supporting UN's sustainable development goals, and deepening conducts on ESG. TCFHC will also take active and forward-looking actions to realize sustainable operations so as to create sustainable value for shareholders, customers, and employees.

Chairman

Paul C.D. Lei

Recognition and Awards

Sustainable Development

- ★ Paul C.D. Lei, Chairman of both Taiwan Cooperative Financial Holding Company and Taiwan Cooperative Bank was named by Harvard Business Review as **"Taiwan's Top 100 Chief Executive Officer"**
- ★ Selected as a constituent of MSCI ESG Indexes
- ★ Selected as a constituent of FTSE4Good Emerging Index
- ★ Granted with the **"Resilience Award"** by British Standard Institute
- ★ Awarded with **"Triple A Insurance Company in 2020"** by Asset
- ★ Granted with **"The Best CSR Award"** by Excellence magazine
- ★ Selected as a constituent of TWSE's "FTSE4Good TIP Taiwan ESG Index"
- ★ Granted with Golden Medal for **"TCSA Taiwan Corporate Sustainability Report Award"**

Corporate Governance

- ★ Named as the top 20% of enterprises in "Corporate Governance Evaluation" by TWSE
- ★ Selected as a constituent of TWSE's "Taiwan Corporate Governance 100 Index"

Innovative Finance and Services

- ★ Awarded Excellent Bank prize on three categories of "SME Loan", "New Southbound Policy Project Loan", and "Innovative Industry Project Loan", **"Special Prize for Balanced Regional Development"**, and **"Special Prize for e-Commerce Industry Loan"**
- ★ Awarded **"The Best Financial Product Prize"** on the category of Financial Holdings' Bank by Excellence magazine
- ★ Awarded prize of **"The Most Silver-Haired Friendly"** by Business Today on its Wealth Management Banking Evaluation
- ★ Named as top 100 patent applicant for 3 consecutive years
- ★ Awarded "The Best Credit Card Product Innovation Prize" for 2020 from the VISA International
- ★ Awarded prize of **"Excellence in Promotion of Electronic Ordering"** by TWSE
- ★ Awarded prize of **"eDDA Internet/ Mobile Banking Dual Service Promotion"** by Taiwan Clearing House
- ★ Receiving 8 different forms of affirmation from SME Credit Guarantee Fund of Taiwan including **"Support of Young Entrepreneur, Startups, and Microbusiness"**, **"Facilitation of Policy Promulgation"**, **"Financial Relief and Economic Stimulation"**, **"Excellence in NT\$100 billion Special Project Loan Promotion"**, **"Excellence in Real Time Credit Notification on Guarantee Applications"**, and a letter of gratitude for interfacing for information of guarantee applications



Environmental Friendliness

- ★ Certified by Taipei City Government as a "Excellent Green Procurement Unit"
- ★ Certified with Green Building label for head office and new buildings
- ★ Awarded "Green Technology Industry Special Prize", "Biotechnology Industry Special Prize", and "New Agricultural Industry Prize" by Financial Supervisory Commission

Social Inclusion

- ★ Awarded 2021 "Role Model Prize" for "Enhancing Public Interests" under "Corporate Social Responsibility Award" by Global View magazine
- ★ Recognized by Financial Supervisory Commission an Excellence-Class Bank in carrying out "Rewarding Domestic Bank for Specifying Processing Financial Relief Loan Program", as well as for other excellent achievements including "Trust Industry Engaging in Elder and Disabled Asset Trust Assessments", "The Prize of Whole-Hearted Participation in the Campaign of Bringing Financial Knowledge into Campus and Community", and the insurance subsidiary's worthy noted performance on "Raising Domestic People's Insurance Protection Program"
- ★ Recognized by Ministry of Labor for excellent performance on promoting "Micro-Startups Phoenix Loan Program" and "Startups Loan for Unemployed with Employment Insurance"
- ★ Granted by Taiwan Immunization Vision and Strategy with the certification of "Epidemic Prevention Guardian"
- ★ Granted with "Certification of Excellent Lactation Room" by Taipei City Government
- ★ Granted with "Certification Label of Healthy Workplace" by Ministry of Health and Welfare
- ★ Granted with "Certification Label of Sports Supporting Enterprise" and "Letter of Gratitude for the Economically Independent Youth Internship Program" by Ministry of Education
- ★ Listed as the most admired financial holding company for finance, economics, and insurance majored graduates by Insurance Dragon and Phoenix Award for 3 consecutive years
- ★ Selected as a constituent of TWSE's "Taiwan High Compensation 100 Index" for 6 straight years
- ★ Selected as a constituent of TWSE's "Taiwan Employment Creation 99 Index" for 6 consecutive years
- ★ Rewarded with "Golden Quality Prize" and "Long-Term Sponsorship Prize" under "Sports Propeller Award" by Ministry of Education for 12 consecutive years

Sustainable Performance

Corporate Governance

- The Company has generated consolidated net profit of **NT\$17.135** billion.
- The Company has accumulated a total assets valued at more than **NT\$4.415** trillion with a year-over-year growth rate of **10.9%**, hitting a historical high.
- The Board of Directors and functional committees have been rated as "Excellent" and "Advanced" respectively through performance evaluation.
- All of the directors and senior management teams of the Group have already signed "Declaration of Obeying the Business Integrity Policy."
- Emerging risk and climate change risk have both been incorporated into risk management policy along with the establishment of risk identification procedure.
- The Company has signed to support the Task Force on Climate-related Financial Disclosures (TCFD) set up by Financial Stability Board.
- The Company has added a new seat in the Board earmarked for female independent director.
- The actual average attendance rate of the Board is as high as **95%**.
- The training accomplishing rate for business integrity related courses has reached **100%**.
- As many as **4,000** staff have acquired licensures for being Certified Anti-Money Laundering Specialists.
- Employees across the Group have all accomplished anti-money laundering trainings with total training hours reaching **27,081**.



Customer Care

- The case closure rate for TCB, TCS, and BNP TCB Life in handling customer complaint case is as high as **100%**.
- The satisfaction rate of customer service is above **90%**.
- A total of **100** Urban Renewal and Risky and Old Building Reconstruction Loan cases have been undertaken with a total amount of **NT\$62.222** billion.
- The total amount of loan released through Key Startups Industries Project Loan has reached **NT\$473.5** billion.
- The training accomplishing rate for the Group's training course on individual information protection system has reached **100%**.
- The training accomplishing rate for the Group's training courses on information security has reached **100%**.
- The satisfaction rate of channel services has risen to more than **90%**.
- There have been **175** FinTech patents being obtained.

- There have been **1,313** cases for Youth Home Project Mortgage being undertaken with a total amount of **NT\$6.047** billion.
- **1,455** cases for Youth Startups Project Loan have been undertaken with a total amount of **NT\$1.319** billion.
- There have been **132** cases being processed for Micro-Startups Phoenix Project Loan with a total amount of **NT\$110** million.
- There have been in total **54,443** SME accounts with TCB, which together received a total loan of **NT\$762.395** billion.
- There were in total **2,821** newly added beneficiaries to the trust assets of elder and disabled.
- There were a total of **1,924** applications for reverse mortgage with a total amount of **NT\$11.401** billion being approved, an increase of **NT\$1.844** billion compared to the end of 2019.





Employee Care

- The average pay raise scale in the last three years is **4.29%**.
- The reinstatement rate of intern has reached **77%**.
- The average turnover rate across the Group is as low as **2.38%**.
- A total of **NT\$11.4 million** maternity allowance ratio has been provided.
- The average reinstatement rate for maternity leave is as high as **89.19%**.
- The average female supervisor to total supervisors ratio has reached **55.24%**.
- The total expense on employee benefit has reached **NT\$16,573,977,000**.
- The rate of Taiwan Cooperative Bank's employee participating in the "Employee Stock Ownership Trust" program has reached **96.4%**.
- The average ratio of labor union membership to total employees of Taiwan Cooperative Bank and Taiwan Cooperative Securities over the past 3 years has reached **90%**.

Environmental Sustainability

- **NT\$1 billion** green bonds have been issued with a further plan of issuing "sustainable development bonds".
- The amount of green procurement has reached **NT\$95.23 million**.
- A total of **395** people have attended the environmental education seminar.
- The achievement rate of domestic suppliers whose purchasing amount is more than NT\$ 1 million signing "Environmental Sustainability Clause Commitment" has reached **100%**.
- The operation-caused carbon dioxide emission has been decreased by **723,286** kgCO₂e, an amount equivalent of **1.85** times annual absorptive capacity of Da-An forest parks.
- Since 2019, a total of **10** locations managed by TCFHC's subsidiaries have received certifications of ISO 14064-1 Greenhouse Gas Emission, ISO 50001 Energy Management System, and ISO 14001 Environmental Management System.
- As many as **30,791** counts of participant have participated in the TCFHC vegetarian day, and thereby have had a total of **2,340** kgCO₂e emission decreased.
- A total of **NT\$138.519 billion** loans have been provided to green technology related operations, together with more than **NT\$63.6 billion** investment on green energy related development.
- TCSIT has launched green finance fund with a projected fund size of **NT\$523 million**.
- A total of **NT\$620 million** green consumer loan has been offered.



Public Interests

- More than **NT\$100 million** have been provided for the development of three sports teams – table tennis, badminton, and baseball.
- TCFHC has made donations to a total of **171** social welfare institutions with a total amount exceeding **NT\$11.67 million**.
- TCFHC has made substantive supports to social empowerment as well as sponsored academic research, with an accumulated donation amount exceeding **NT\$38.45 million**.
- A total of **86** sports events including TCB Cup sports tournaments on softball, badminton, and national table tennis championship have been hosted or held by TCFHC.
- TCFHC has been supporting family caregivers on a constant basis including making more than **NT\$16.48 million** on supporting Taiwan Association of Family Caregiver on hosting **175** short-break courses and providing more than **17,700** cups of short break coffee.
- TCFHC has in total hosted **8** philanthropic concerts and **7** weekend market activities.
- A total of **22** training seminars that TCFHC has organized have in total trained up **1,414** employees as "long-term care seeds" to promote long-term care and financial knowledge.
- **2** lectures on "Creating a Happy Living and Caring Life" have been held to attract more than **850** attendance.



2020 Sustainability Achievements

Taiwan Cooperative Holdings

Governance of Corporate Sustainable Development

In order to pursue sustainable development, TCFHC has, through operations of Sustainable Development Committee, established a well-structured sustainable management mechanism and an operational strategy that blends the concept of sustainable development into core financial business. TCFHC has also set measurable mid-and-long term goals with the expectation of pushing ahead with TCFHC's sustainable development effectively through top-down and systematic management approaches so as to continuously create values for stakeholders.



Sustainable Strategy and Vision

In order to tackle risks faced with international sustainable developmental trend and climate change, TCFHC has committed itself to sustainable development by combining environmental, social, and governance (ESG) efforts with business operational policies to sketch out the blueprint of sustainable developmental strategy from five aspects, namely, corporate governance, customer care, employee care, environmental sustainability, and public interests. In the meantime, TCFHC has made United Nations' Sustainable Development Goals (SDGs) as the guideline to pursue sustainable development with refined strategy and goals. In addition, with the introduction of innovative financial products and services, TCFHC has sought to wield influence in the financial industry to deepen conducts in sustainable operations and to pursue economic, environmental and social inclusions together with stakeholders so as to fulfill commitment to achieving corporate sustainable development.

Strategy

With the commitment to corporate sustainable development, TCFHC has endeavored to prompt sustainable and inclusive economic growth, social development, and environmental protection through efforts on five different aspects including corporate governance, customer care, employee care, environmental sustainability, and public interests, so as to achieve the goal of sustainable strategy.

Governance

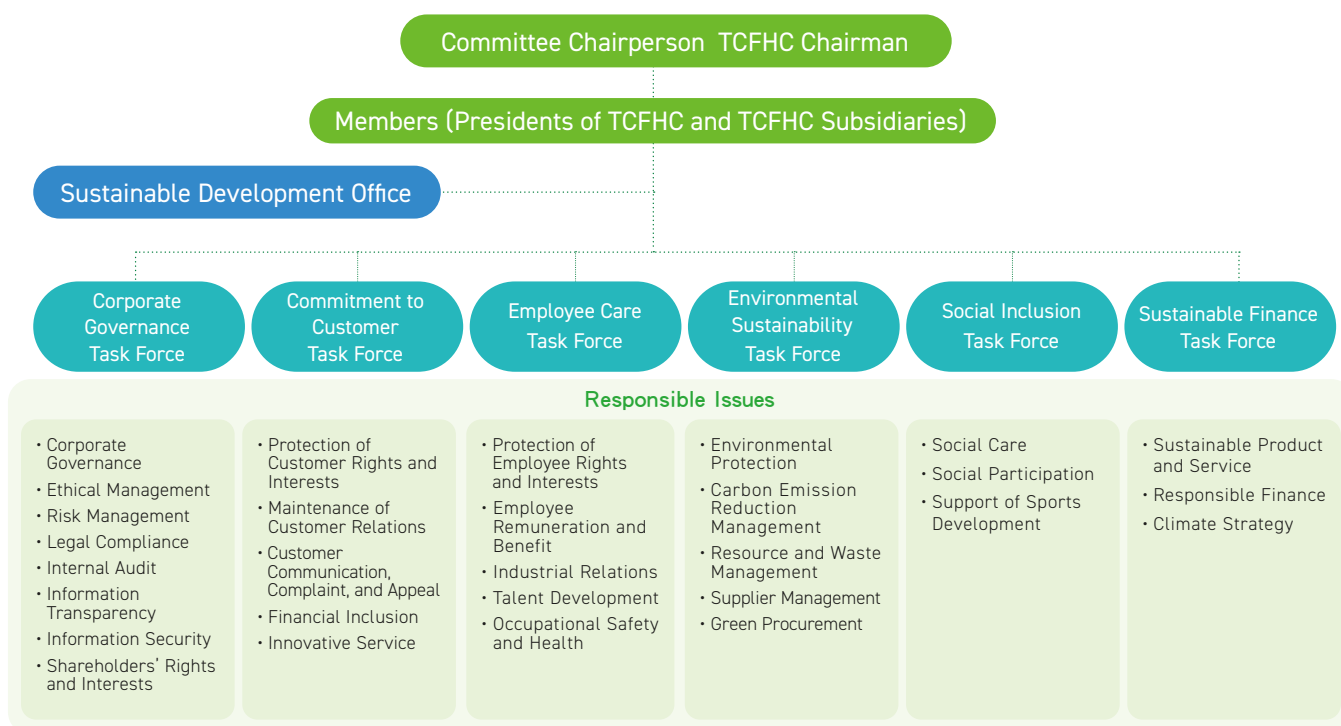
The TCFHC Sustainable Development Committee convenes meetings every year to identify risks and opportunities stemming from environmental, social and governance related issues, and to propose clear and quantifiable short-mid-and-long term goals with rolling reviews for continuous improvement, both of which are embodied efforts in pursuing corporate sustainable management.

Vision

In addition to making United Nations' Sustainable Development Goals (SDGs) the driving force to pursue sustainable goals and business model innovation, TCFHC has adopted international standard on sustainability to establish sustainable culture through systematic mechanisms and organized efforts to create sustainable value for all stakeholders.

Sustainable Development Committee

In order to pursue corporate sustainable development in the context of keeping pace with international trend, TCFHC established the Corporate Social Responsibility Committee in 2019 to serve as the highest supervising body for pushing ahead with sustainable governance. The TCFHC CSR committee has later been renamed as TCFHC Sustainability Development Committee in 2021, headed by the TCFHC chairman, to take responsibilities of sketching out and pushing for the goal and strategy of sustainable development, and to set concrete and measurable short-mid-and-long term goals with expectation of effectively pushing ahead with TCFHC's sustainable strategy through a top-down and systematic management approach, so as to create values for all stakeholders. In the meantime, in order to better coordination and management, the TCFHC "Corporate Sustainability Office" has been set up to facilitate operation of Sustainable Development Committee, to implement the Group's sustainable developmental policy, system and relevant management plan, and to report to the Board of Directors on progress and achievement of relevant projects. There are 6 different task forces being formed under the Sustainable Development Committee to cover issues on corporate governance, commitment to customer, sustainable finance, employee care, environmental sustainability, and social inclusion respectively. Each task force is headed by an executive vice president, who convenes meetings with participation of TCFHC subsidiaries whenever necessary to discuss and follow the progress on pursued goal, to report to the Sustainable Development Committee, and to revise the execution plan if necessary, so as to make the sustainable strategy work effectively.





In 2020, the Sustainable Development Committee had convened 3 meetings to discuss such topics as setting annual goals and work plans for each task force, forming inter-subsidiary TCFD task force and approving the proposal of supporting TCFD proposition, and the introduction of ISO 45001 Occupational Safety Management System. In addition, the committee chairperson and members also attend meetings of the Board of Directors to discuss and communicate with the Board of Directors on CSR issues whenever the timing suits.

Material Topics and Stakeholder Engagement

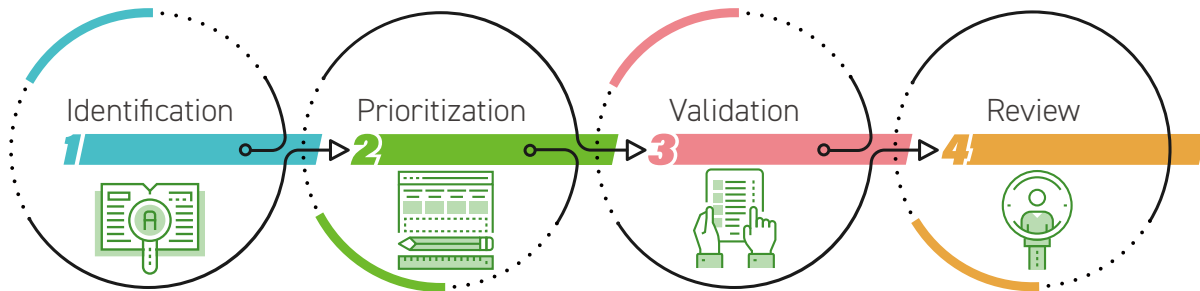
Stakeholder Identification

While the purpose of seeking sustainable development is to create benefits for shareholders and refining customer service, it can also facilitate a harmonious development on aspects of environment, employee, and society. Therefore, the first and most important step in the procedure of sustainable management is to identify both internal and external stakeholders related to TCFHC, by which the issues that concern stakeholders can be found out. Based on the extent of interactions and influence between stakeholders and the company, TCFHC has identified 8 different groups of stakeholders, namely, employee, shareholder/investor, customer, supplier, community, government and competent authority, media, academic/consulting organization/guild and association, and their importance to TCFHC are listed as follows:

| Type of Stakeholder | Importance to TCFHC |
|---|--|
| Employee |  <ul style="list-style-type: none"> • Important assets of the company. • Being attentive to employee care is a key element for realizing social care. • Forming a comprehensive remuneration and benefit policy to pave way for recruiting talents has created the foundation for corporate sustainability. • The loyalty and health of employee is fundamental to the steady development of an enterprise. With the establishment of amiable work environment and smooth communication channel, harmonious employment relations can thus be achieved with a high degree of employee loyalty. |
| Shareholder/Investor |  <ul style="list-style-type: none"> • Support of enterprise's steady operations. • Influence of enterprise's developmental path. • Relations between TCFHC business performance and rights and interests of shareholders and investors. |
| Customer |  <ul style="list-style-type: none"> • Connection with corporate sustainable development. • Ensuring customer care has set the tone for creating positive social influence through operation of core business. • The service quality has been refined with extended content of service as a result of the survey of customer's satisfaction. |
| Supplier |  <ul style="list-style-type: none"> • Part of the operational value chain of TCFHC sustainable development. • Quality and legal compliance of suppliers is complement to the steady development of TCFHC. • Collaboration between TCFHC and suppliers will increase depth and breadth of sustainable development. |
| Community |  <ul style="list-style-type: none"> • Returning the favor that was offered. While pursuing the growth, the minority or disadvantaged group shall be continuously cared to achieve equally and mutually benefits. |
| Government and Competent Authority |  <ul style="list-style-type: none"> • As the supervisory agency of financial institutions to regulate development of financial institutions. • Through understanding of competent authority's policy and goals, the government's policy is echoed for furthering the development of society as a whole. • Complying with relevant laws and regulation and making legal compliance the prerequisite for pursuing development. |
| Media |  <ul style="list-style-type: none"> • Influence of corporate image and reputation. • Increase in information transparency. |
| Academic/Consulting Unit/ Industry Guild and Association |  <ul style="list-style-type: none"> • To assist TCFHC in keeping up with competent authority's changes in relevant regulations so as to maintain sustainable competitiveness. • To participate seminars organized by academic or consulting institute with the aim of seeking further development through opinions exchanges. |

Defining Material Topics

By following GRI standards and having taken account of topics that concern both international and domestic well-known enterprises, we adopt four principles - materiality, stakeholder inclusiveness, sustainability context, and completeness, to evaluate the extent to which economic, environment, and society has concerned and brought impact on stakeholders, and thus to define material topics of TCFHC in 2020 and further establish connections with United Nations' SDGs. The procedure of defining material topics are as follows:

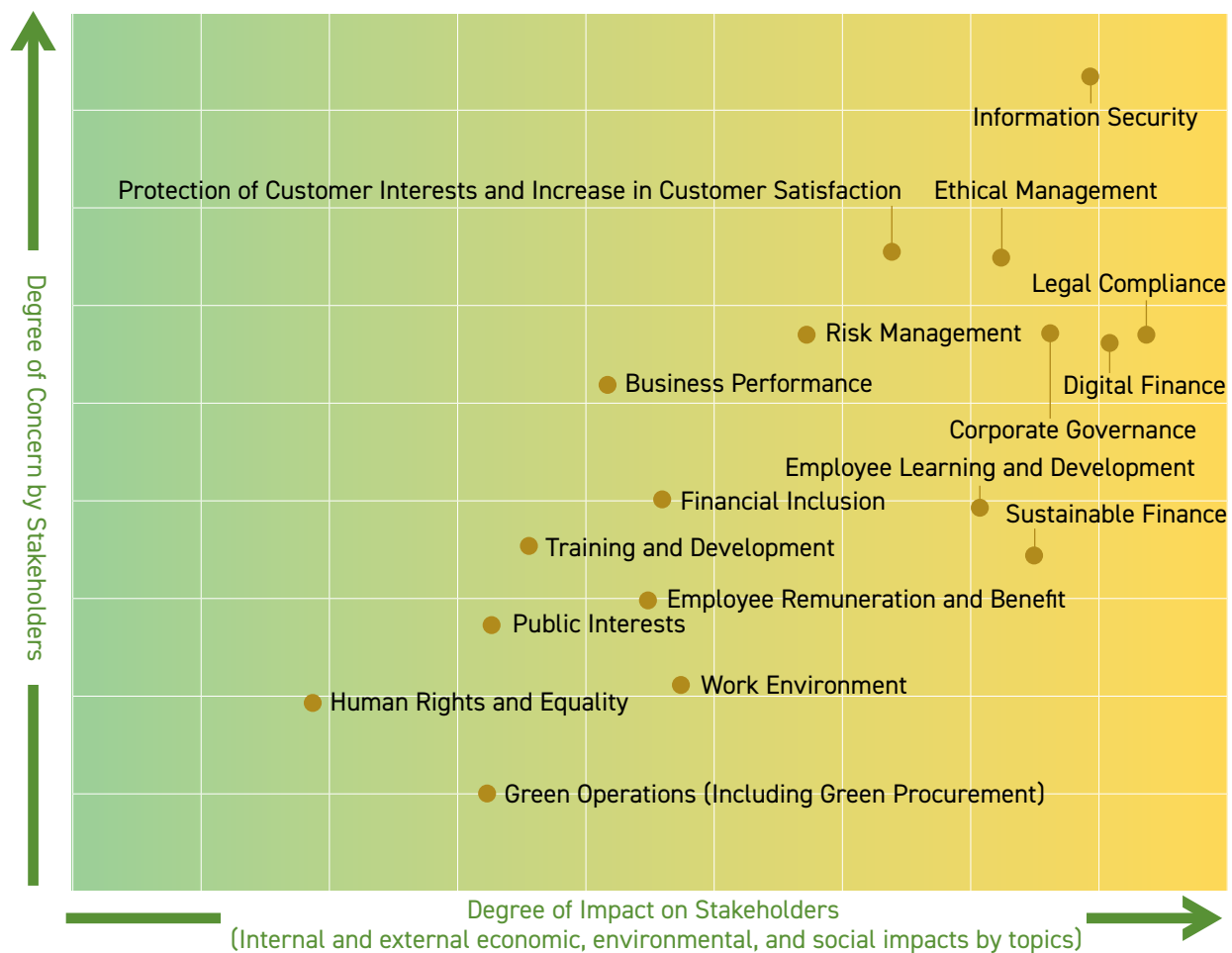


To identify 17 key topics by referring to GRI standards, CSR reports published by counterparts both domestic and overseas, and topics concerned by industry.

To list 9 highly significant topics through evaluation by task force on the extent to which operations of the Group and external economic, environmental and social aspects have been impacted by issues which have been found mostly concerned through internal discussions and feedbacks of different types of stakeholders.




To validate importance and boundary of material topics being defined by Sustainable Development Committee and the management to ensure completeness and transparency of information disclosure.






To have Sustainable Development Committee to review and verify the report upon the completion for ensuring content has fully disclosed information and truthfully stated implementation status of ESG in the Company so as to achieve effective communications with stakeholders.



TCFHC has set up management approach for defining material topics to ensure impacts on the operation itself and stakeholders by different dimensions of these topics can be effectively managed through implementation of policy, injection of resources, and management of performance. The GRI standards, significance to TCFHC, risk management strategy, and extent of impact that correspond to these topics as well as their corresponding chapters are listed as follows:

List of Material Topics

| Aspect | Material Topics | GRI Topics/ Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies | Significance to TCFHC | Topic Management Strategy | Scope of Influence | | Corresponding Chapter and Page Number |
|----------------------|---|--|--|---|---|---|---|
| | | | | | Internal | External | |
| Corporate Governance |  Corporate Governance | GRI 102-18 Governance Structure | Formation and operation of the Board of Directors and functional committees, as well as the overall developmental strategy | To establish sound corporate governance system and operation with reference to existing corporate governance structure and corporate governance charters such as article of incorporation, corporate governance best practices principles which were formulated by following relevant regulations and looking into actual operations. | ● TCFHC and Subsidiaries ○ Employees | ● Shareholder and Investor ○ Customer ○ Supplier ○ Community ● Government and Competent Authority ● Media ● Academic/ Consulting Institutes/ Industry Guild and Association | Corporate Governance p.42 |
| |  Risk Management | GRI 102-11 Precautionary Principle or Approach | Different aspects of risk management structure, management approach, and internal control and audit systems | To reach the optimal balance between risk and gains through forming risk management and further implementation for achieving a more efficient resource allocation, and further increase shareholders' rights and benefits and capital values. To integrate risk management with business strategy in order to ensure the consistency in objectives between risk management and business performance so as to make risk management mechanism operates effectively. | ● TCFHC and Subsidiaries ○ Employees | ● Shareholder and Investor ● Customer ● Supplier ○ Community ● Government and Competent Authority ○ Media ● Academic/ Consulting Institutes/ Industry Guild and Association | Risk Management and Audit System p.47 |
| |  Ethical Management | GRI 102-16 Values, Principles, Standards, and Norms of Behavior GRI 205 Anti-Corruption | Formation of ethical management of corporate culture and internal control mechanism | To formulate "Ethical Corporate Management Best Practice Principles" and "Guidelines of Conduct and Operational Procedures for Ethical Management" to serve as the regulatory framework for ethical management and governance. To designate "Ethical Management Committee" under the Board of Directors as the dedicated unit responsible for the formation, supervision, and execution of ethical management policy. | ● TCFHC and Subsidiaries ● Employees | ● Shareholder and Investor ● Customer ● Supplier ○ Community ● Government and Competent Authority ● Media ● Academic/ Consulting Institutes/ Industry Guild and Association | Ethical Management p.45 |
| |  Legal Compliance | GRI 307 Environmental Compliance GRI 419 Socioeconomic Compliance | Legal compliance and anti-money laundering system | To establish clarified legal compliance guidelines and mechanism to enable subsidiaries to implement relevant regulations effectively, so as to make the best efforts to avoid any wrongdoings that cause damages, and effectively prevent money laundering and terrorism financing. | ● TCFHC and Subsidiaries ● Employees | ● Shareholder and Investor ● Customer ● Supplier ● Community ● Government and Competent Authority ● Media ● Academic/ Consulting Institutes/ Industry Guild and Association | Legal Compliance, Anti-Money Laundering, and Combat of Terrorism Financing p.53 |

| Aspect | Material Topics | GRI Topics/ Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies | Significance to TCFHC | Topic Management Strategy | Scope of Influence | | Corresponding Chapter and Page Number |
|---------------------|--|--|--|--|---|---|--|
| | | | | | Internal | External | |
| Environment/Society |  Sustainable Finance | Paragraph 3 of Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies | Financial service provided for stimulating sustainable development | Holding to the spirit of responsible investment with concerns on ESG issues, endeavoring to make economic industries to shoulder more environmental and social responsibilities through diversified operations and to reduce impacts on environment, resources, and human rights, so as to achieve goal of sustainable development and fulfill commitment to corporate responsibility. | <ul style="list-style-type: none"> TCFHC and Subsidiaries Employees | <ul style="list-style-type: none"> Shareholder and Investor Customer Supplier Community Government and Competent Authority Media Academic/ Consulting Institutes/ Industry Guild and Association | Sustainable Finance p.59 |
| |  Digital Finance | Paragraph 3 of Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies | Financial service provided in response to the digital era | To ride on developmental trend of digital technology and combine with optimization of existing service and development of innovative services for meeting customer needs on financial services and further enriching their service experiences. | <ul style="list-style-type: none"> TCFHC and Subsidiaries Employees | <ul style="list-style-type: none"> Shareholder and Investor Customer Supplier Community Government and Competent Authority Media Academic/ Consulting Institutes/ Industry Guild and Association | Digital Finance p.66 |
| Society |  Protecting Customer Rights and Increasing Customer Satisfaction | GRI 418 Customer Privacy | Systematically managing and analyzing feedbacks of customers towards TCFHC services with respect to customer privacy, so as to increase quality and enrich experience of customer service | To enable each subsidiary to provide financial services and products in context of customer interests being maintained through well-grounded customer information protection measures and legal framework, so as to both meet customer needs and protect customer interests. | <ul style="list-style-type: none"> TCFHC and Subsidiaries Employees | <ul style="list-style-type: none"> Shareholder and Investor Customer Supplier Community Government and Competent Authority Media Academic/ Consulting Institutes/ Industry Guild and Association | Protecting Customer Rights and Increasing Customer Satisfaction p.70 |
| |  Information Security | GRI 418 Customer Privacy | Management strategy on information and internet security | To have information security policy formed for ensuring protection measures and crisis management being in place to achieve accuracy, confidentiality, completeness, and usefulness of information system. | <ul style="list-style-type: none"> TCFHC and Subsidiaries Employees | <ul style="list-style-type: none"> Shareholder and Investor Customer Supplier Community Government and Competent Authority Media Academic/ Consulting Institutes/ Industry Guild and Association | Information Security p.55 |
| |  Employee Learning and Development | GRI 404 Training and Education | Talent is the core element for sustainable development of an enterprise, and developing capability of employee and assisting employee in career development are also fundamental to sustainable development of TCFHC | To construct a well-rounded educational training program in which diversified and different types of courses are designed by catering to different types of employees' duties and professional capacities so as to increase employees' professional capabilities effectively. | <ul style="list-style-type: none"> TCFHC and Subsidiaries Employees | <ul style="list-style-type: none"> Shareholder and Investor Customer Supplier Community Government and Competent Authority Media Academic/ Consulting Institutes/ Industry Guild and Association | Career Management and Learning p.81 |

Meanwhile, echoing the spirits and actions of United Nations' Sustainable Development Goals (SDGs), TCFHC has taken up its responsibility of being as a citizen of the earth through engaging in active conducts on corporate governance, customer care, employee care, environmental sustainability, and public interests, to pursue a visionary future with sustainable development. The corresponding SDGs are as follows:



Health and Well-being

- In 2020, total amount of subsidies for employees' health check reached NT\$4.42 million
- The entire TCFHC Group's has obtained "Healthy Workplace Certificate - Health Activation Label" issued by Health Promotion Administration, Ministry of Health and Welfare
- A total of 7 sessions of "TCB Health Knowledge Learning Lecture" for increasing health knowledge of employees were organized, which had attracted more than 800 people to participate, accumulating a total of 25,320 training hours
- In 2020, TCFHC obtained certificate of "ISO 45001 Occupational Safety and Sanitation Management System"
- For promoting long-term care policy, more than NT\$8.68 million donation has been made to support Taiwan Association of Family Caregivers



Quality of Education

- As of the end of 2020, total accumulated amount of bonus and scholarships that the TCFHC Group had rewarded and offered had exceeded NT\$38.38 million
- TCS has made a total donation of NT\$70,000 to both IPOWPOWER empowerment society and "Teach for Taiwan" foundation, benefiting a total of 210 people
- In response to the global trend of sustainable development, a series of sustainability related training courses were held including information security, ethical management, equality and human rights, Task Force on Climate related Financial Disclosures (TCFD), green finance, and environmental education



Sustainable City

- A solar panel power generation system was installed at the building of TCB Headquarters in 2020, which has generated a total of 27,759,000 kw/h electricity, and helped reducing a total of 14,129 kgCO₂ emission
- The building of TCB Headquarters has been continuously certified with green building silver label issued by Ministry of Interior
- TCB has been showing supports to Tamsui River Convention as initiated by Commonwealth magazine.
- The TCFHC Group has endeavored to practice 3 Rs - Reduce, Recycle, and Reuse, and has taken 2020 as the base year, corresponding to which an annual 2% cut back on waste amount is set to maintain between 2022 and 2026



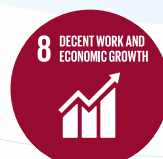
Responsible Consumption and Production

- Incorporating emerging risk and climate change risk into risk management policy and establish risk identification procedures
- Signing Task Force on Climate Related Financial Disclosure, TCFD
- Handling green technology loan
- Investing on green energy related industries
- TCSIT issuing green financial fund
- Underwriting for green consumer loan



Sexual Equality

- To add a new seat for female independent director
- The ratio of female supervisor to total supervisors across the TCFHC Group reaching 55.24%
- The average reinstatement rate of unpaid parental leave reaching 89.19%



Employment and Economic Growth

- Consolidated net Income of NT\$17.135 billion; total assets exceeding NT\$4.145 trillion; annual growth rate of 10.9%
- Introducing innovative key industry project loan
- Underwriting for youth startup loan
- Underwriting for micro startup phoenix loan
- Recruiting interns and inviting well performed interns to take up permanent positions





Climate Action

- Issuing green bonds and planning to issue "continual development financial bond"
- Enforcing green procurement
- 100% of suppliers completing signing of "environmental sustainability clause commitment"
- Reducing carbon emission of 723,286 kgCO₂ generated as a result of business needs, equivalent of 1.85 times the annual absorbing amount of Daan Forest Park
- Attracting 30,791 participants to take part in the Group's Vegetable Day, who together had reduced carbon emission by 2,340 kgCO₂




Communication Channels for Stakeholders





In the wake of having defined and identified material topics of TCFHC in 2020, in order to continue to communicate with stakeholders, learning their feedbacks and voices, we have established engagement methods and channels corresponding to different stakeholders with concrete communication frequency and results listed in the following table. Also, when presenting annual CSR report to the Board of Directors each year, results of the communications are tagged along.

| Stakeholder | Prioritized Issues as Concerned | Dedicated Contact Window and Method | Channel of Engagement | Frequency and Result of Communications in 2020 |
|---|--|--|--|---|
|  Employee | Legal Compliance Digital Finance Information Security | Contact Window: Human Resource Department Contact channel: +886-2-2173-8888 | <ul style="list-style-type: none"> To form labor union, sign collective agreement, hold employment meeting regularly, and form Occupational Benefit Committee and Occupational Health and Safety Committee. To set up employee comment mailbox as the channel for exchanges between the employer and the employed. To set up employee appeal and complaint zone and sexual harassment appeal and complaint hotline. To set up web-based tip-off email account and post hotline information on the website. To hold educational and training seminar on employee health check, safety protection from incidents, occupational disaster, and labor health and safety. | <ul style="list-style-type: none"> 4 employment meetings were held by TCFHC subsidiaries. To hold occupational sanitation and safety seminar, participated by 9,059 attendants with a total length of 12,039 hours. |
|  Shareholder and Investor | Corporate Governance Ethical Management Risk Management Legal Compliance Sustainable Finance Digital Finance Information Security Protecting Customer Rights and Increasing Customer Satisfaction | Spokesperson Name: CHOU, Chun-Lung Position: Executive Vice President Tel: +886-2-2173-8888 email: spokesman@tcfhc.com.tw Acting Spokesperson Name: LU, Jui-Ling Position: Executive Vice President Tel: +886-2-2173-8888 email: spokesman@tcfhc.com.tw Stock Transfer Agency Name: Yuanta Securities Co., Ltd. Add: No. 210, Section 3, Chengde Road, Datong District, Taipei, Taiwan, R.O.C. Tel: +886-2-2586-5859 | <ul style="list-style-type: none"> To hold annual general shareholders' meeting. To hold quarterly institutional investors conference. To publish operational performance every month. To regularly update information on operational status, financial information, and the Company's movement on investor's zone of the website. To disclose required information on the TWSE's market observation post system regularly or whenever necessary. To set up a stakeholder zone on the official website providing contact information such as phone number and email address to make response to inquiry of shareholder and investor. To set up a stakeholder opinion feedback list on the website's Sustainable Development zone. | <ul style="list-style-type: none"> 1 general shareholders' meeting and 4 institutional investors' conferences were held. A total of 143 material messages were made public. |







| Stakeholder | Prioritized Issues as Concerned | Dedicated Contact Window and Method | Channel of Engagement | Frequency and Result of Communications in 2020 |
|---|--|--|--|--|
|  Customer | Ethical Management Digital Finance Information Security Protecting Customer Rights and Increasing Customer Satisfaction | Taiwan Cooperative Financial Holdings Tel: +886-2-2173-8888 Website: http://www.tcfhc.com.tw Taiwan Cooperative Bank Tel: 0800-033-175 or +886-4-2227-3131 Website: https://www.tcb-bank.com.tw Taiwan Cooperative Securities Tel: +886-2-2752-8000 Website: http://www.tcfhc-sec.com.tw Taiwan Cooperative Bills Finance Tel: +886-2-2522-1656 Website: http://www.tcb-bills.com.tw Co-operative Assets Management Tel: +886-2-2382-0868 Website: http://www.coamc.com.tw Taiwan Cooperative Securities Investment Trust Tel: +886-2-2181-5999 Website: http://www.tcb-am.com.tw Taiwan Cooperative Venture Capital Tel: +886-2-2395-2115 Website: http://www.tcfhc-vc.com.tw BNP Paribas Cardif TCB Life Insurance Tel: 0800-033-133 (locally toll free) Website: https://my.tcb-life.com.tw/ | <ul style="list-style-type: none"> To provide customer with product related information on the official website for establishing a channel for financial information acquiring, two-way communications, and business inquiry. To set up a 7-24 toll free customer service hotline, email account, and the other appeal and complaint channel. To formulate customer information protection measures as part of responsibilities for ensuring confidentiality on customer information and to have measures post on the front page of the website and adopting other way of disclosure as specified by the competent authority. To hold celebrity speech tournament, investment and wealth management seminars, and industry park seminars to maintain customer relations. | <ul style="list-style-type: none"> The TCB "evaluation of service performance" showed a satisfaction rate of above 94%. Satisfaction rate among TCB's wealth management customers reached 93.26% TCS customer service hotline gained 97.4% satisfaction rate. BNP TCB Life gained a customer satisfaction rate of 98.2%. |
|  Supplier | Ethical Management Risk Management Legal Compliance Digital Finance | Tip-off hotline: +886-2-2173-8913 Tip-off email: 5134@tcfhc.com.tw | <ul style="list-style-type: none"> To request suppliers to sign on "commitment of supplier to CSR and environmental sustainability clause" when procurement amount exceeds NT\$ 1 million from 2020 onward. | <ul style="list-style-type: none"> Formation of the Group's "supplier management policy" and "commitment of supplier to CSR and environmental sustainability clause" were completed in 2019. From January 1, 2020 onward, suppliers are requested to sign the commitment clause when procurement amount exceeds NT\$1 million. |









| Stakeholder | Prioritized Issues as Concerned | Dedicated Contact Window and Method | Channel of Engagement | Frequency and Result of Communications in 2020 |
|---|--|--|---|---|
|  Community | Sustainable Finance Digital Finance Information Security | | <ul style="list-style-type: none"> To hold winter philanthropic activities every year and support local sports activities. To hold various charity and public interests activities, academic events, charity marathon, and other charitable donations every year. To promote long-term care policy, hold "TCB Lecture Hall", respite care academy, pan pan concert, and charity flea market, and launch the stamp collection passbook to encourage employees to take part in charity activities. To hold various TCB Cup's ball sports events and sponsor different types of sports activities, and invest resources to nurture athletes of table tennis, baseball, and badminton. To support the government's environmental protection policy of carbon emission reduction on a long-term basis and formulate "energy saving measures". | <ul style="list-style-type: none"> The TCFHC Group has donated more than NT\$5.7 million to 41 different charity groups, benefiting 3,200 people. 2 "TCB Lecture Hall" were held with theme on LOHAS, plus 145 different courses of the respite care academy, 8 charity concerts, and 7 pan pan flea market. A total of 2 TCB Cups' sports event were held along with supports to 175 athletes. With regard to the performance on carbon emission, please refer to the section of "Implementation of 2020 CSR Strategies and Goals". |
|  Government and Competent Authority | Corporate Governance Ethical Management Risk Management Legal Compliance | Contact Window: Administration Department, Taiwan Cooperative Financial Holding Co., Ltd. Add: No. 225, Section 2, Chang'An East Road, Taipei, Taiwan, R.O.C. Tel: +886-2-2173-8888 Fax: +886-2-2731-3677 Website: www.tcfhc.com.tw email: pr@tcfhc.com.tw | <ul style="list-style-type: none"> To comply with regulatory frameworks and support supervision and inspection of competent authorities by providing relevant information. To comply with policy of competent authorities and participate meetings organized by competent authorities. | <ul style="list-style-type: none"> External evaluations on the Board of Directors and functional committees were completed. Signing to support TCFD. The newly stipulated "declaration of the compliance with ethical management by directors and senior management" has been signed by 109 people. TCFHC has been selected as constituents of "TWSE Corporate Governance 100 index", "TWSE RA Taiwan Employment Creation 99 Index", and "TWSE RAFT Taiwan High Compensation 100 Index". The "institutional investor stewardship principles" was signed and filed for registration in time as requested. |
|  Media | Corporate Governance Ethical Management Digital Finance Information Security Protecting Customer Rights and Increasing Customer Satisfaction | | <ul style="list-style-type: none"> To hold institutional investors' conference regularly so as to increase transparency of operational financial information. To hold press conference, and publicize product launch event and advertisement release event whenever needs. To arrange spokesperson to take media interview under media invitation and to issue press release whenever is necessary. | <ul style="list-style-type: none"> There were 4 institutional investors' conferences being held. A total of 79 pieces of press release was issued by TCFHC itself. For details, please refer to the news center on TCFHC's official website. |
|  Academic/ Consulting Institutions and Industry Guild and Association | Corporate Governance Ethical Management Risk Management Legal Compliance Information Security Protecting Customer Rights and Increasing Customer Satisfaction | | <ul style="list-style-type: none"> To hold forums or academic seminars whenever suits to update the latest developmental trend of financial industry through exchange of opinion. To participate meetings or forums held by guilds or different associations to be updated with the change in relevant regulations by relevant competent authorities to ensure legal compliance on operations. | <ul style="list-style-type: none"> The TCFHC Group has joined a total of 37 guilds and associations. |













Implementation of 2020 CSR Strategies and Goals



Corporate Governance

| Aspect | Goals | Actual Implementation by Strategy | Progress | Goals for 2021 | Mid-and-Long Term Goals (2022 – 2026) |
|---|---|--|---|---|--|
|  Corporate Governance | <ul style="list-style-type: none"> To have performance evaluation of the Board of Directors conducted. To reach more than 80% of attendance rate for the Board of Directors' meeting and functional committees (audit, remuneration, and ethical management committees) by all directors and independent directors. To vie for being listed as the top 5% TWSE-Listed companies on Corporate Governance Evaluation. To vie for being selected as constituents of "TWSE Corporate Governance 100 Index", "TWSE RA Taiwan Employment Creation 99 Index", and "TWSE RAFT" Taiwan High Compensation 100 Index". To push for adoption of candidate nomination system for director election. | <ul style="list-style-type: none"> Internal and external performance evaluation on the Board of Directors were "excellence" or "advance" and reported to the Board of Directors. The average attendance rate for the Board of Directors' meetings in 2020 by all directors was higher than 85% along with an average attendance rate of higher than 80% for meetings of functional committees. Listed as the top 6%~20% TWSE-Listed companies on the 7th Corporate Governance Evaluation. Selected as constituents of "TWSE Corporate Governance 100 Index", "TWSE RA Taiwan Employment Creation 99 Index", and "TWSE RAFT" Taiwan High Compensation 100 Index". Director election has adopted candidate nomination system since 2021. |  Accomplished | <ul style="list-style-type: none"> To continue to engage in performance evaluation on the Board of Directors. To reach an average attendance rate of higher than 85% for the Board of Directors' meetings and an average attendance rate of higher than 80% for meetings of functional committees (audit, remuneration, and ethical management committees). To continue to vie for being listed as top 5% TWSE-Listed company on Corporate Governance Evaluation. To continue to vie for being selected as constituents of "TWSE Corporate Governance 100 Index", "TWSE RA Taiwan Employment Creation 99 Index", and "TWSE RAFT" Taiwan High Compensation 100 Index". | <ul style="list-style-type: none"> To continue to engage in internal and external performance evaluation on the Board of Directors. To continue to push for establishment of interlinked review system between remuneration and performance evaluation of the Board of Directors. To continue to closely watch development of relevant regulations to better the Company's corporate governance. To continue to vie for being listed as top 5% TWSE-Listed company on Corporate Governance Evaluation. To continue to be selected as constituents of "TWSE Corporate Governance 100 Index", "TWSE RA Taiwan Employment Creation 99 Index", and "TWSE RAFT" Taiwan High Compensation 100 Index". |
|  Ethical Management | <ul style="list-style-type: none"> To report to each of their Board of Directors by its and its subsidiaries at least once a year, on the update of compliance with ethical management principles. To organize at least one educational training a year for all employees on ethical management related issues with a training rate of 100%. | <ul style="list-style-type: none"> TCFHC and its subsidiaries have all reported to each of their Board of Directors on the update of compliance with ethical management principles. TCFHC has held 3 different online digital learning education training courses – 1 for directors and senior management and 2 for employees without supervisory roles. The training rates of TCFHC subsidiaries have all reached 100%. |  Accomplished | <ul style="list-style-type: none"> To ensure that TCFHC and its subsidiaries reports to each of their Board of Directors at least once a year on the updates of ethical management compliance. To continue to hold at least 1 ethical management related educational training for all employees with a training rate of 100%. | <ul style="list-style-type: none"> To make TCFHC to report to its Board of Directors at least twice a year on updates of ethical management compliance. To continue to hold at least one ethical management related educational training for all employees with a training rate of 100% so as to facilitate that all employees understand and are willing to comply with the ethical management policy. |
|  Risk Management | <ul style="list-style-type: none"> To review reasonableness of relevant limits set by the TCFHC Group and each subsidiary so as to enhance the efficiency on limit management. To have credit risk exposure integration system completed and launched. To establish TCFD risk management framework. | <ul style="list-style-type: none"> TCFHC revised limits set for different industry in 2020 and engaged in status analysis on different limits set by each subsidiary. The "limits list for those of high risk and concerned industry risk" as originally formulated has been divided into two items of limits including "concerned industry" and "high risk industry in Mainland China", which then was approved by the Board of Directors and thereby being promulgated. Group-wide TCFD risk management framework has been established to identify risk and opportunity brought by climate change that TCFHC Group has faced so as to enhance management efficiency of climate risk. |  Accomplished | <ul style="list-style-type: none"> To establish emerging risk identification mechanism including risk identification, impact evaluation, and buffering measures. | <ul style="list-style-type: none"> To supervise all subsidiaries to optimize each of their risk management procedures and monitor compliance on each risk regulations and limits so as to make the 2nd line of defense functioning effectively. To assist and supervise TCFHC subsidiaries in bettering capital planning in response to financial supervisory trend so as to meet supervisory requirements by competent authorities. To continue to deepen strategy and risk control measures in response to climate change and follow TCFD execution procedures to generate climate change management strategy step by step. |






| Aspect | Goals | Actual Implementation by Strategy | Progress | Goals for 2021 | Mid-and-Long Term Goals (2022 – 2026) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---|---|---|---------------|---------------|-------|---|----|-----|-----|-----|------|---|----|-----|---|---|--------------|----|----|-----|-----|--|-------|----|---|------|----|--|--|
| <div> Legal Compliance</div> | <ul style="list-style-type: none">To better audit and inspection items on legal compliance so as to increase effectiveness of onsite inspection.To increase awareness of TCFHC Group's employees on anti-money laundering and combat of terrorism financing and increase number of employees who acquire certificates.To reinforce management efficiency on overseas branches' legal compliance affairs. | <ul style="list-style-type: none">Frequency of onsite inspection has been increased to twice a year and has brought detected flaw in evaluation item of legal compliance.To increase awareness of TCFHC Group's employees on anti-money laundering and combat of terrorism financing, group-wide written test and mystery test are taken every year with results being submitted to the TCFHC president.In 2020, a total of 4,000 TCFHC Group's employees have acquired either Certified Anti-Money Laundering Specialist (CAMS) or its equivalent local certificates.To strengthen overseas branch of the bank subsidiary in legal compliance management, 2 meetings of legal compliance in offshore unit are required to be held for every quarter. Also by following risk classification management system, overseas branches rated as mid-risk (4 branches) and high-risk (8 branches), reinforced management measures would be implemented. | <div> Accomplished</div> | <ul style="list-style-type: none">To ensure timely delivery of information on changes in legal frameworks.To establish tracking mechanism on control and management.To implement Group-wide onsite inspection.To deepen corporate legal compliance culture.To increase anti-money laundering certificate acquiring ratio among employees. | <ul style="list-style-type: none">To support Financial Supervisory Commission in activating "Corporate Governance 3.0 Sustainable Development Blueprint" as well as relevant regulations that other external agencies have set for ESG implementation to track each units' status on changes in internal regulations, so as to increase the sustainable value of TCFHC Group.To increase anti-money laundering certificates acquiring ratio among TCFHC Group's employees on an average annual growth rate of at least 1.5%. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div> Internal Audit</div> | <ul style="list-style-type: none">To compile audit on status of self-inspection by TCFHC and its subsidiaries into a scheduled inspection project of the audit scheme. | <ul style="list-style-type: none">Internal audit units in TCFHC and all its subsidiaries have already carried out actions on audit and inspection by following each of their own 2020 audit scheme.Audit units in all TCFHC subsidiaries have engaged in special project audit on self-inspection of internal control system conducted by operational department. | <div> Accomplished</div> | <ul style="list-style-type: none">To have TCFHC and its subsidiaries to conduct each of their business audit and inspections by following each of their 2021 annual audit plans with targeted number of inspections as follows: <table><tr><th></th><th>General Audit</th><th>Project Audit</th></tr><tr><td>TCFHC</td><td>1</td><td>17</td></tr><tr><td>TCB</td><td>310</td><td>301</td></tr><tr><td>TCBF</td><td>6</td><td>22</td></tr><tr><td>AMC</td><td>1</td><td>7</td></tr><tr><td>BNP TCB Life</td><td>14</td><td>18</td></tr><tr><td>TCS</td><td colspan="2">315</td></tr><tr><td>TCSIT</td><td>12</td><td>2</td></tr><tr><td>TCVC</td><td colspan="2">12</td></tr></table> <ul style="list-style-type: none">To make audit department of TCFHC to list management status on Corporate Governance Evaluation indicators (including CSR implementation) as one of the key inspection items. | | General Audit | Project Audit | TCFHC | 1 | 17 | TCB | 310 | 301 | TCBF | 6 | 22 | AMC | 1 | 7 | BNP TCB Life | 14 | 18 | TCS | 315 | | TCSIT | 12 | 2 | TCVC | 12 | | <ul style="list-style-type: none">Statutory inspection: to have TCFHC and its subsidiaries to set up the frequency and items of inspection that meet relevant regulations.Reinforced inspection: to have audit department of TCFHC to increase number and items of inspection on TCFHC and its subsidiaries according to "principles of selections for the reinforced inspection".To assist the Board of Directors and the management in inspecting and evaluating if internal control system operates effectively and provide 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. |
| | General Audit | Project Audit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TCFHC | 1 | 17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TCB | 310 | 301 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TCBF | 6 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AMC | 1 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BNP TCB Life | 14 | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TCS | 315 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TCSIT | 12 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TCVC | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div> Information Transparency</div> | <ul style="list-style-type: none">To hold institutional investors' conference every quarter and to take part in overseas road shows actively to let shareholders and investors realize updated information on financial information.To strengthen quality of ESG information disclosure and publicize such information on the official website. | <ul style="list-style-type: none">Relevant financial and non-financial information was disclosed on the official website of TCFHC and TWSE's MOPS.There were 1 annual general shareholders' meeting and 4 institutional investors' conferences being held.The telephone number and email address of TCFHC spokesperson and stock affairs inquiry window are made public on the Company's website to facilitate shareholders in communicating with the company.An ESG zone was set up on the official website to disclose the Company's vision on sustainable development and to ensure implementation of sustainable development so as to strengthen communications with institutional investors. | <div> Accomplished</div> | <ul style="list-style-type: none">To continue to pay attention to interaction and communications with shareholders and investors, and hold 1 annual general shareholders' meeting and 4 institutional investors' conferences a year.To pay attention to material issues that stakeholders are concerned with and continue to communicate with stakeholders. | <ul style="list-style-type: none">To continue to emphasize interaction and communications with shareholders and investors, hold 1 annual general shareholders' meeting and 4 institutional investors' conferences a year, and build an investors' zone in the official website to disclose information simultaneously in both Chinese and English.To continue to communicate with stakeholders, get to understand ESG material topics they are concerned with, and actively establish corresponding methods and channels for engagement. | | | | | | | | | | | | | | | | | | | | | | | | | | | |







Customer Care










| Aspect | Goals | Actual Implementation by Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|---|---|--|---|---|---|
|  Urban Renewal Issue | <ul style="list-style-type: none"> TCB to set target of handling 53 loan cases on urban renewal and time-worn building reconstruction with a total loan of NT\$41.1 billion. | <ul style="list-style-type: none"> TCB had handled a total of 100 loan cases on urban renewal and time-worn building reconstruction with a total loan of NT\$62.222 billion, a performance with an achievement rate of 188.68% on number of cases, or 151.39% on the loans released. |  Accomplished | <ul style="list-style-type: none"> To set a target for TCB of handling 89 loan cases on urban renewal and time-worn reconstruction with a total amount of NT\$63.5 billion. | <ul style="list-style-type: none"> To set a target of attaining an annual growth rate of 10% on urban renewal and time-worn building reconstruction loan cases. |
|  Green Finance | <ul style="list-style-type: none"> TCB to set the target of handling NT\$500 million green consumer loans. | <ul style="list-style-type: none"> TCB had underwritten a total of NT\$620 million green consumer loan with an achievement rate of 124% on the amount of loan. |  Accomplished | <ul style="list-style-type: none"> TCB to set the target of handling 730 million green consumer loans. | <ul style="list-style-type: none"> To set annual growth rate of 10% on the total amount of green consumer loan. |
|  Responsible Investment | <ul style="list-style-type: none"> TCB to set the target of making a total of NT\$57 billion investment in green energy businesses. | <ul style="list-style-type: none"> TCB had invested a total of NT\$63.5 billion on green energy businesses with an achievement rate of 111.40%. |  Accomplished | <ul style="list-style-type: none"> TCB to set to invest NT\$60 billion on green finance. TCVC to set to increase green investment by NT\$20 million. | <ul style="list-style-type: none"> TCB to set to pump in NT\$70 billion on green finance. TCVC to plan to use 10% out of the total annual newly increased investment amount on green investment. |
|  Protection of Customers' Rights and Interests | <ul style="list-style-type: none"> To reach a circulation of more than 5,000 TCB issued green credit cards in the market. | <ul style="list-style-type: none"> TCB had issued LOHAS credit card, which was made of PETG environmental friendly materials. As of December 2020, there were a total of 38,158 LOHAS credit cards being issued, an achievement rate of 763.16%. |  Accomplished | <ul style="list-style-type: none"> To reach a circulation of more than 50,000 TCB issued green credit cards in the market. | <ul style="list-style-type: none"> To reach a circulation of more than 80,000 TCB issued green credit cards in the market. TCB to plan to achieve carbon neutralization on credit card by 2026. |
|  Protection of Customers' Rights and Interests | <ul style="list-style-type: none"> To attain the ratio of 90% of TWSE and TPEx listed companies that TCB, TCS, and TCSIT have invested, adopt e-voting for their shareholders' meetings. To reach the attendance rate of 70% by BNP TCB Life for the TWSE and TPEx listed companies. | <ul style="list-style-type: none"> As high as 97% of TWSE and TPEx listed companies that TCB has participated adopted e-voting for their shareholders' meetings. The attendance rates for TWSE and TPEx-Listed companies' shareholders' meetings by TCS, TCSIT, and BNP TCB Life were all 100%. |  Accomplished | <ul style="list-style-type: none"> To attain the ratio of 92% of TWSE and TPEx listed companies that TCB, TCS, and TCSIT have invested, adopt e-voting for their shareholders' meetings. To reach the attendance rate of 90% by BNP TCB Life for TWSE and TPEx listed companies. | <ul style="list-style-type: none"> To attain the ratio of 96% of the TWSE and TPEx listed companies that TCB, TCS, and TCSIT have invested, adopt e-voting for their shareholders' meetings. To reach the attendance rate of 90% by BNP TCB Life for TWSE and TPEx listed companies. |
|  Protection of Customers' Rights and Interests | <ul style="list-style-type: none"> To have TCB and BNP TCB Life passing the review of BS10012:2017. To have TCS to pass external verification on renewing the dp. mark certificate issued by Taiwan Personal Information and Administration System (TPIPAS). To reach training completion rate of 100% for educational training of personal information protection system. | <ul style="list-style-type: none"> Both TCB and BNP TCB Life has passed the review on BS10012: 2017 by British Standard Institute (BSI). TCS has completed external audit on personal information protection and has passed verification for renewing TPIPAS certificate. The relevant training completion rate for all employees has reached 100%. |  Accomplished | <ul style="list-style-type: none"> To have TCB, BNP TCB Life to pass 2021 review of BS10012:2017. To have BNP TCB Life to pass verification for renewing certificate of BS10012: 2017. To have validity of TPIPAS issued dp.mark certificate remained for TCS. To reach 100% training completion rate for educational training of personal information protection system. | <ul style="list-style-type: none"> To have both TCB and BNP TCB Life continuously to acquire valid certificates of BS10012: 2017. To have validity of TPIPAS issued dp.mark certificate remained for TCS. To reach 100% training completion rate for educational training of personal information protection system. |

| Aspect | Goals | Actual Implementation by Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|--|---|--|---|--|--|
|  Protection of Customers' Rights and Interests Protection of Customers' Information Protection of Personal Information Education Trainings on Personal Information Information Security Planning Educational Training on Information Security | <ul style="list-style-type: none"> To set TCB's PC malware infection target rate lower than 2%. To conduct drills for all employees of the Group on "social engineering phishing email attack" and to have TCB and TCS to set a phishing email opening rate of less than 3%. To have both TCB and BNP TCB Life to engage in verification for renewing certificate of "ISO 27001" To set BNP TCB Life the target inspection approval rate of 100% on personal information protection involved in the e-commerce. | <ul style="list-style-type: none"> TCB's PC malware infection rate was 16%, less than the target rate. The drill on "social engineering phishing email attack" has been completed with the phishing email opening rates of 1.04% for TCB and 1.14% for TCS. Both TCB and BNP TCB Life have completed each of the review for ISO 27001 of 2020's. The verification approval rate of BNP TCB Life on personal information involved in e-commerce has reached 100%. |  Accomplished | <ul style="list-style-type: none"> To establish information security intelligence sharing mechanism across the Group. To conduct drills for all employees of the Group on "social engineering phishing email attack" and to have TCB and TCS to set a phishing email opening rate of less than 3%. To hold information security educational training for TCB's directors, supervisors, and senior management. To have TCB to hold drills on distribution of denial of service attack (including information security event). To have TCB to implement evaluations on computer-based information system security. To set TCB the PC malware infection rate of lower than 2%. To have both TCB and BNP TCB Life to engage in the verification for renewing certificate of "ISO 27001". To set BNP TCB Life the target inspection rate of 100% on personal information protection involved in e-commerce. | <ul style="list-style-type: none"> To plan to set up a group-based PC information security event response task force in the TCFHC Group so as to equip the Group with responsive mechanism including regular drills. To conduct drills for all employees of the Group every year on "social engineering phishing email attack" and to have TCB and TCS to set a phishing email opening rate of less than 2%. To continue to hold information security educational training for TCB's directors, supervisors, and senior management. To have TCB to hold drills on distribution of denial of service attack (including information security event) To set TCB the PC malware infection rate of lower than 1%. To have TCB and BNP TCB Life to complete certificate upgrade for ISO 27001. To have TCB and BNP TCB Life to undertake feasibility study into introduction of ISO 22301 system. |
| | <ul style="list-style-type: none"> To reach the training completion rate of 100% on information security educational training. | <ul style="list-style-type: none"> The training completion rate on information security education training has reached 100%. | | <ul style="list-style-type: none"> To have the training completion rate on information security set at 100% for all employees in the Group. | <ul style="list-style-type: none"> To hold information security awareness promotional courses every year for all employees and to have all employees passing the course assessment. To have both training completion rate and pass rate on information security to reach 100% in the Group. |











| Aspect | Goals | Actual Implementation by Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|--|--|--|--|--|---|
|  Maintenance of Customer Relations Increase in Customer Satisfaction Fair Treatment of Customers | <ul style="list-style-type: none"> To set TCB, TCS, and BNP TCB Life the target rate for customer satisfaction of more than 90%. <ol style="list-style-type: none"> To conduct survey for "Service Performance Assessment". To conduct satisfaction survey with all wealth management customers across TCB. To conduct satisfaction survey on customer service. To conduct satisfaction survey. | <ol style="list-style-type: none"> Satisfaction rate of TCB's service performance has reached above 94%. Satisfaction rate by wealth management customers across TCB has reached above 93.26%. Satisfaction rate on TCS's customer hotline has reached above 97.4%. Satisfaction rate on BNP TCB Life's customer service has reached above 98.2%. |  Accomplished | <ul style="list-style-type: none"> To set TCB, TCS, and BNP TCB Life the target of reaching satisfaction rate of above 90% or yearly decrease in number of customer complaint. | <ul style="list-style-type: none"> To set TCB, TCS, and BNP TCB Life the target of reaching satisfaction rate of above 93% or yearly decrease in number of customer complaint. |
| | <ul style="list-style-type: none"> To have TCB, TCS, TCBF, BNP TCB Life, and TCSIT to compile updates on following principles of fair treatment of customers and then have them reported to the Board of Directors. To set TCB, TCS, TCBF, BNP TCB Life, and TCSIT the target training completion rate of 100% on principles of fair treatment of customers. | <ul style="list-style-type: none"> The updated report has been compiled and reported to the Board of Directors. The training completion rate on relevant educational training has reached 100%. | | <ul style="list-style-type: none"> To compile updates on implementation of principles of fair treatment of customer by TCB, TCS, TCBF, BNP TCB Life, and TCSIT, and have the updates reported to the Board of Directors. To set TCB, TCS, TCBF, BNP TCB Life, and TCSIT, the target training completion rate of 100% on principles of fair treatment of customers. | <ul style="list-style-type: none"> To compile updates on implementation of principles of fair treatment of customers and have the updates reported to the Board of Directors. To set the target training completion rate of 100% on principles of fair treatment of customers. |
|  Policy, Goal, and Plan of Digital Finance | <ul style="list-style-type: none"> To build and install application programming interface (API) management platform, and to seek suitable third party service provider so as to have financial inclusion implemented for reaching potential customers with deeper market penetration. | <ul style="list-style-type: none"> The TCB project of API management platform has gone through procurement procedure in November 2020 and is scheduled to be launched by the end of the 3rd quarter of 2021. Regarding the 2nd phase of API, consulted suitable telecommunications service priority (TSP) vendor submitted relevant documents including business plan to Financial Supervisory Commission in February 2021, received approval in April, and launched the service in June 2021. |  Accomplished | <ul style="list-style-type: none"> TCB to plan to integrate such API services as deposit and credit card, and to work with the 3rd party service provider to provide more diverse consumer financing services and settings. | <ul style="list-style-type: none"> To adopt API and different types of 3rd party service provider by tapping into concept of financial deregulations as a result of digital development to expand TCB's financial services, and to speed up innovations and upgrade on financial products and services with the emphasis on humanity based experiences to integrate TCB's financial products into different types of consumption settings, so as to achieve the goal of digital transition – "bank equals service". |
| | <ul style="list-style-type: none"> To set target number of merchant to which TCB's Taiwan Pay QR Code service will be expanded: ATM card merchants: 14,000 Credit card merchants: 6,000 | <ul style="list-style-type: none"> Number of TCB's Taiwan Pay ATM card acceptance merchant: 16,278, with achievement rate of 116.27%. Number of TCB's Taiwan Pay credit card acceptance merchant: 9,044, with an achievement rate of 150.73% |  Accomplished | <ul style="list-style-type: none"> To set the target number of merchant to which TCB's Taiwan Pay QR Code service will be expanded: ATM card merchants: 17,500 Credit card merchants: 10,000 | <ul style="list-style-type: none"> To set the target number of merchant to which TCB's Taiwan Pay QR Code service will be expanded by 2026: ATM card merchants: 21,000 Credit card merchants: 12,000 |





| Aspect | Goals | Actual Implementation by Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|---|--|--|---|---|--|
|  Digital Finance Digital Finance Patent Digital Innovation Goals of Pushing for APP | <ul style="list-style-type: none"> TCB to set the target of filing 150 patent applications to the Intellectual Property Office, Ministry of Economic Affairs. To launch an innovation laboratory CoLAB, which is set to plan and design short, mid, and long term innovative activities. | <ul style="list-style-type: none"> A total of 211 patent applications have been submitted to the Bureau of Intelligent Property Management of the Ministry of Economic Affairs, with an achievement rate of 140.67%, and a total of 175 patent applications have been approved. TCB formally established CoLAB, which has filed 14 patent applications and handled "Business Innovation IDEA Training Class" and "Business Innovation Workshop" (including consultant interviews). |  Accomplished | <ul style="list-style-type: none"> TCB to set the target of filing 250 patent applications to Intellectual Property Office, Ministry of Economic Affairs. To make CoLAB generating through innovation the guideline plan on customer experience of the new generation. | <ul style="list-style-type: none"> Plan to hold 1 to 2 seminars on "Financial Technology Patent" every year. Set the goal of 545 patent applications have been filed with the Intellectual Property Bureau of the Ministry of Economic Affairs. Increase number of financial technology patents and complete construction of an innovation management system. |
| | Taiwan Pay and Mobile Payment Bundled with ATM Card, Bank Account, and Credit Card | <ul style="list-style-type: none"> TCB to set the target number of 950,000 and 10% growth rate on mobile banking account opening. | <ul style="list-style-type: none"> The number of TCB mobile banking account opening is 1.17 million, an achievement rate of 123.16%. |  Accomplished | <ul style="list-style-type: none"> TCB to set the target of reaching 1.33 million accounts opened for mobile banking. TCB to set the target of reaching 2 million accounts opened for mobile banking by 2026. |
| | | <ul style="list-style-type: none"> TCB to set the target number of credit cards to bundle with Taiwan Pay mobile payment is 50,000. | <ul style="list-style-type: none"> The number of credit cards that bundles with TCB mobile payment are 87,030, an achievement rate of 174.06%. |  Accomplished | <ul style="list-style-type: none"> TCB to set the target number of credit cards to bundle with Taiwan Pay mobile payment is 100,000. TCB to set the target number of credit cards to bundle with Taiwan Pay mobile payment is more than 160,000 by 2026. |
|  Digital Finance Improving Online FX Features Online Loan Application Mobile Insurance | <ul style="list-style-type: none"> TCB to set the target number of ATM cards to bundle with Taiwan Pay mobile payment is 400,000. | <ul style="list-style-type: none"> TCB has managed to make 540,033 ATM cards bundled with Taiwan Pay mobile payment, a result of 135.01% achievement rate. |  Accomplished | <ul style="list-style-type: none"> TCB to set the target number of newly added ATM cards to bundle with Taiwan Pay mobile payment is 125,000. | <ul style="list-style-type: none"> TCB to set the target number of newly added ATM cards to bundle with Taiwan Pay mobile payment between 2022 and 2016 is 500,000. |
| | <ul style="list-style-type: none"> To set the target growth rate of 5% on FX transaction through TCB's digital service platform. To set the target of increasing 3,000 new TCB's FX digital deposit account. | <ul style="list-style-type: none"> The number and amount of FX transactions via TCB's digital service platform were 582,959 and US\$7,949,453,000 with the growth rates of 22.06% and 12.02% respectively. The number of TCB's FX digital deposit account was 51,639, with an achievement rate of 1,721.30%. |  Accomplished | <ul style="list-style-type: none"> To set the target growth rate of 5% on FX transaction through TCB's digital service platform. To set the target of increasing 10,000 new TCB's FX digital deposit account. | <ul style="list-style-type: none"> To set the target growth rate of 5% on FX transaction through TCB's digital service platform. To set the target of reaching an annual growth rate of 5% on FX digital deposit account. |
| | <ul style="list-style-type: none"> TCB to set the target of receiving 1,000 online mortgage and loan applications, and to make total number of both new and additional loan applications accumulated to 7,200. | <ul style="list-style-type: none"> TCB has underwritten 1,724 mortgage and loan cases applied online, reaching an achievement rate of 172.4%, while total number as accumulated has reached 10,350, an achievement rate of 143.75%. |  Accomplished | <ul style="list-style-type: none"> TCB to set the annual target for 2021 of receiving 2,500 online mortgage and loan applications. | <ul style="list-style-type: none"> The number of mortgage and loan applications has increased by 5% each year compared to the previous year. |
| | <ul style="list-style-type: none"> TCB to launch "mobile insurance system". | <ul style="list-style-type: none"> TCB has accomplished installation and launched "mobile insurance system" in August 2020. |  Accomplished | <ul style="list-style-type: none"> To set the target of growth rate of 10% on new insurance application made through mobile insurance system along with the accumulated number of 1,000 To project to have mobile insurance system's interface linked to China Life Insurance's system. | <ul style="list-style-type: none"> To set the annual growth target rate of 10% on the number of cases received from mobile insurance system. To have the mobile insurance system linking to and being promoted on 5 insurance companies, and to have business volume accounting for 55% of those of contracted insurer partner as a whole. |

| Aspect | Goals | Actual Implementation by Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|---|--|---|---|--|--|
|  Financial Inclusion Bilingual Service Branch Youth to Start Family Loan, Youth Startup Loan, Phoenix Micro-Startup Loan, and Agricultural and Fishery Loans | <ul style="list-style-type: none"> TCB to target to launch bilingual services with particular branch each in Northern, Central, and Southern Taiwan. | <ul style="list-style-type: none"> TCB has provided bilingual services in 10 branches across Taiwan, 6 in Northern, 2 in Central, and another 2 in Southern Taiwan. |  Accomplished | <ul style="list-style-type: none"> TCB to target to make 40 branches across Taiwan equipped with bilingual service. | <ul style="list-style-type: none"> TCB to take steps to complete installation of bilingual services in all branches in Taiwan: <ol style="list-style-type: none"> To upgrade 40 branches to bilingual service each year between 2022 and 2025. To upgrade the remaining 59 branches to bilingual service by 2027. |
| | <ul style="list-style-type: none"> TCB to set underwritten targets of 60 youth startup loan cases and 90 phoenix micro-startup loan cases with amount of NT\$80 million and NT\$54 million respectively. TCB to set underwritten target of 270 cases of assorted farmer loans with a total amount of NT\$1.7 billion. | <ul style="list-style-type: none"> TCB has underwritten 1,455 youth startup loan cases with a total amount of NT\$1,319 billion, and 132 cases of phoenix micro-startup loan with NT\$0.11 billion, reaching achievement rates of 1,648.75% and 203.7% respectively. TCB has newly underwritten 310 cases of assorted farmer loans with a total amount of NT\$1.76 billion, reaching an achievement rate of 103.52% |  Accomplished | <ul style="list-style-type: none"> TCB to set underwritten targets of 1,000 youth startup loan cases and 100 phoenix micro-startup loan cases with amount of NT\$500 million and NT\$60 million respectively. TCB to set underwritten target of 278 cases of assorted farmer loans with a total amount of NT\$1.75 billion. | <ul style="list-style-type: none"> TCB to set annual underwritten growth rate targets of 5% both in number and value for youth startup loan and micro-startup phoenix loan. TCB to set annual growth rate target of 5% for assorted farmer loan. |
|  Financial Inclusion Loans to SMEs, Biotech and Medical Industry, or Long-Term Care Industry | <ul style="list-style-type: none"> TCB to target to achieve an annual growth of SME loans by NT\$10 billion. TCB to target to increase 60 new loan accounts from biotechnology and medical industry, or long-term care industry. TCB to target to underwrite for more than 10 overseas loan cases endorsed by trust fund for overseas operations with an accumulated amount of US\$3,500,000. | <ul style="list-style-type: none"> TCB has increased total number of SME loan account to 54,443 with a total loan of NT\$762.395 billion, reaching a target achievement rate of 945.63%. TCB has added 112 new loan accounts from biotechnology and medical industry or long-term care industry with an achievement rate of 186.67%. TCB has underwritten for 12 business loan cases endorsed by trust fund for overseas operations with an accumulated loan amount of US\$3,948,000, reaching an achievement rate of 112.80%. |  Accomplished | <ul style="list-style-type: none"> TCB to target to have SME loan increased by NT\$10 billion compared to the previous year's. TCB to target to add 60 new accounts from biotechnology and medical industry, or long-term care industry in the year. TCB to target to underwrite for more than 10 overseas loan cases endorsed by trust fund for overseas operations with an accumulated amount of US\$3,500,000. | <ul style="list-style-type: none"> TCB to target to have amount of SME loan increased by NT\$10 - 15 billion. TCB to target to add more than 250 loan accounts from biotechnology and medical industry, or long-term care industry. TCB to target to underwrite for 40 overseas loan cases endorsed by trust fund for overseas operations with an accumulated amount of US\$14,000,000. |
| | <ul style="list-style-type: none"> TCB to target to add 1,300 beneficiaries of property trust for the elderly and the physically or mentally impaired. | <ul style="list-style-type: none"> TCB has managed to add another 2,821 beneficiaries of property trust for the elderly and the physically or mentally impaired, attaining a target achievement rate of 217%. |  Accomplished | <ul style="list-style-type: none"> TCB to target to add 1,500 beneficiaries of property trust for the elderly and the physically or mentally impaired. | <ul style="list-style-type: none"> TCB to target to reach an accumulated number of 2,200 by 2026 for beneficiaries of property trust for the elderly and the physically or mentally impaired. |
|  Financial Inclusion No. 1 LOHAS Financial Service Brand | <ul style="list-style-type: none"> TCB to target to increase total amount of reverse mortgage by NT\$1 billion. | <ul style="list-style-type: none"> As of the end of 2020, TCB had processed 1,924 applications for reverse mortgage, of which the approved loan amount was NT\$11.401 billion, an increase of NT\$1.844 billion from a year ago, attaining an achievement rate of 184.4%. |  Accomplished | <ul style="list-style-type: none"> TCB to target to increase total amount of reverse mortgage by NT\$1 billion. | <ul style="list-style-type: none"> TCB to target to increase total amount of reverse mortgage by NT\$1 billion. |
| | <ul style="list-style-type: none"> BNP TCB Life to target to develop 2 - 3 protective type or retirement type products for the elderly. | <ul style="list-style-type: none"> In 2020, BNP TCB Life had rolled out 5 different products including 3 protective types and 2 retirement types. |  Accomplished | <ul style="list-style-type: none"> BNP TCB Life to continue to develop 2 - 3 protective type or retirement type products for the elderly. | <ul style="list-style-type: none"> BNP TCB Life to target to roll out 10 products for the elderly between 2022 and 2026 including one product with spillover policy. |





Employee Care

| Aspect | Goals | Actual Implementation by the Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goal (2022 – 2026) |
|---|--|--|---|---|--|
|  Employee Remuneration and Benefits | <ul style="list-style-type: none"> TCB to reach an average of 2.5% pay raise through promotion. | <ul style="list-style-type: none"> The average pay raise through promotion in 2020 has reached 2.54%. |  Accomplished | <ul style="list-style-type: none"> TCB to reach an average of 2.5% pay raise through promotion. | <ul style="list-style-type: none"> TCB to continue to implement pay adjustment plan by maintaining an annual average rate of at least 2.5%. |
| | <ul style="list-style-type: none"> TCB to target to reach the participation rate of 90% for "employee stock ownership trust program". | <ul style="list-style-type: none"> The participating rate for "employee stock ownership trust program" reached 96.4%. |  Accomplished | <ul style="list-style-type: none"> To continue to operate "employee stock ownership trust program" with a target participation rate of 90%. | <ul style="list-style-type: none"> To continue to operate "employee stock ownership trust program" with a target yearly average participation rate of more than 90%. |
| | <ul style="list-style-type: none"> To encourage employees to give birth with at least an annual budget for birth subsidy of NT\$10 million. | <ul style="list-style-type: none"> In 2020, a total of NT\$11.4 million allowance and subsidy was provided. |  Accomplished | <ul style="list-style-type: none"> To continue to provide birth subsidy with a total amount of NT\$10 million for TCFHC subsidiaries as a whole. | <ul style="list-style-type: none"> To continue to provide birth subsidy with a total annual amount of NT\$10 million for TCFHC subsidiaries as a whole. |
| | <ul style="list-style-type: none"> To provide employees with general health check subsidy. To continue to provide employees with health check subsidy with added health check items. | <ul style="list-style-type: none"> In 2020, the TCFHC Group has provided a total of NT\$4.42 million on employee health check subsidy. In 2020, two specific health check items were included – MRA and LDCT, either one of which, employees over 50 years old are entitled to choose. The total amount of subsidy for newly added items was NT\$1.83 million. |  Accomplished | <ul style="list-style-type: none"> TCFHC and TCB to ease conditions of specific health check items applicable to employees. | <ul style="list-style-type: none"> TCFHC and TCB to continue to subsidize for specific health check items for employees who are over certain ages. |
| | <ul style="list-style-type: none"> TCB to continue to organize at least once a year a retired employee dining and entertaining event. | <ul style="list-style-type: none"> Such activity was suspended due to pandemic. | Unaccomplished | <ul style="list-style-type: none"> TCB to organize at least one dining event for retired employees. | <ul style="list-style-type: none"> TCB to continue to organize at least once a year a retired employee dining and entertaining event. |
| | | <ul style="list-style-type: none"> TCB has set up retired employee reunion centers with each in Northern, Central and Southern Taiwan, providing venue, equipment, newspaper and magazines, and other materials for retired employees to use. |  Accomplished | <ul style="list-style-type: none"> TCB to provide retired employees with benefit measures. | <ul style="list-style-type: none"> TCB to continue to organize at least once a year a retired employee dining and entertaining event. |
| | N/A | N/A | N/A | <ul style="list-style-type: none"> TCB to organize networking events for single employees at least once a year. | <ul style="list-style-type: none"> TCB to continue to organize networking events for single employees at least once a year. |
| | N/A | N/A | N/A | <ul style="list-style-type: none"> TCB to encourage employees to take part in various society activities for relaxation. | <ul style="list-style-type: none"> TCB to continue to promote and encourage employees to take part in different recreational activities for relieving stress from work. |
| | <ul style="list-style-type: none"> TCB to target to reach intern reinstatement rate of 70%. | <ul style="list-style-type: none"> The reinstatement rate for interns in TCB reached 76.81%. |  Accomplished | <ul style="list-style-type: none"> TCB to continue to operate industry-academia collaboration programs, providing internship for college/university students with a reinstatement rate of 70%. | <ul style="list-style-type: none"> TCB to continue to operate industry-academia collaboration programs with an annual reinstatement rate of at least 70%. |
| |  Training and Development Industry-Academia Collaborations | | | | |

N/A denotes not being listed as mid-and-long-term goals in 2020.













| Aspect | Goals | Actual Implementation by the Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goal (2022 – 2026) |
|---|--|--|---|--|--|
|  Training and Development Talent Recruitment and Retention Talent Nurturing and Management Reform | <ul style="list-style-type: none"> TCB to target to reach retention rate of more than 80% for newly recruited personnel. | <ul style="list-style-type: none"> In 2020, retention rate for newly recruited personnel was more than 85.79%. |  Accomplished | <ul style="list-style-type: none"> To target to reach retention rate of 80% for newly recruited personnel. | <ul style="list-style-type: none"> To maintain annual retention rate of at least 80% for newly recruited personnel. |
| | <ul style="list-style-type: none"> To target to have employee turnover rate in the TCFHC Group lower than 5%. | <ul style="list-style-type: none"> In 2020, average employee turnover rate across the Group was 2.38% | | <ul style="list-style-type: none"> To target to have employee turnover rate in the TCFHC Group lower than 5%. | <ul style="list-style-type: none"> To maintain average employee turnover rate of lower than 5% in the Group. |
| | <ul style="list-style-type: none"> To target to reach post-parental leave reinstatement rate of above 80%. | <ul style="list-style-type: none"> The reinstatement rate for employees of the TCFHC Group who had taken parental leave was 89.19% in 2020. | | <ul style="list-style-type: none"> To target to reach an average reinstatement rate of above 80% for employees of the TCFHC Group who have taken parental leaves. | <ul style="list-style-type: none"> To target to maintain a yearly average reinstatement rate of at least 85% for employees of the TCFHC Group who have taken parental leaves. |
| | <ul style="list-style-type: none"> TCB to organize recruitment of overseas associate trainees, with more than 100 talents being recruited into talent pools. | <ul style="list-style-type: none"> As of 2020, a total of 14 terms of overseas associate trainee recruitment have been held, which has in total added 139 talents into overseas talent pool. | | <ul style="list-style-type: none"> TCB to target to have more than 100 talents in overseas talent pool. | <ul style="list-style-type: none"> TCB to continue to hold overseas associate trainee recruitment with at least adding 15 new overseas associate trainees a year for talent nurturing. |
| | <ul style="list-style-type: none"> TCB to set to increase 7 university campus talent recruitment and corporate briefings, of which the total number of participants in corporate briefings increasing to 700. | <ul style="list-style-type: none"> In 2020, due to impact of the pandemic and limited venue arrangements, TCB made 9 university campus talent recruitment and corporate briefings. The total number of participants in corporate briefings increased to 2,136 (including online viewers). | | <ul style="list-style-type: none"> TCB to set to make 7 university campus talent recruitment and corporate briefings, of which the total number of participants in corporate briefings increasing to 700. | <ul style="list-style-type: none"> TCB to set to annually make 9 university campus talent recruitment and corporate briefings, of which the total number of participants in corporate briefings are at least 900. |
|  Occupational Environment Healthy Workplace | <ul style="list-style-type: none"> TCB to continue to hold "newly appointed manager training seminar". | <ul style="list-style-type: none"> The second term of "newly appointed management training seminar" has in total taken in 52 new managers. |  Accomplished | <ul style="list-style-type: none"> TCB to target to have 30 managers trained a year. | <ul style="list-style-type: none"> TCB to maintain having at least 35 managers trained a year. |
| | <ul style="list-style-type: none"> TCFHC to obtain "Healthy Workplace Certificate – Health Activation Label" issued by Health Promotion Administration. | <ul style="list-style-type: none"> All TCFHC subsidiaries have obtained "Healthy Workplace Certificate – Health Activation Label" issued by Health Promotion Administration. | | <ul style="list-style-type: none"> All TCFHC subsidiaries to continue to obtain "Healthy Workplace Certificate – Health Activation Label" issued by Health Promotion Administration, and to organize health promotion related activities to maintain validity of the label. | <ul style="list-style-type: none"> All TCFHC subsidiaries to continue to obtain "Healthy Workplace Certificate – Health Activation Label" issued by Health Promotion Administration. |
| | <ul style="list-style-type: none"> TCB to continue to organize 10 sessions of "TCB Health Lectures". | <ul style="list-style-type: none"> Despite of COVID-19 pandemic, 7 sessions of "TCB Health Lecture" were still held for increasing employees' health knowledge with more than 800 people to attend which accumulated a total of 25,320 training hours. | | <ul style="list-style-type: none"> TCB to continue to organize 10 sessions of "TCB Health Lecture". | <ul style="list-style-type: none"> TCB to continue to organize at least 12 sessions of "TCB Health Lecture" every year. |
| | N/A | N/A | | <ul style="list-style-type: none"> TCB to target to attract 800 participants to take part in AED + CPR training course held at the Headquarter Office, and to obtain the 2021 certificate of "safe work place". | <ul style="list-style-type: none"> TCB to maintain the validity of "safe work place" certificate. |
| | N/A | N/A | | <ul style="list-style-type: none"> TCB to target to set up an in-house H1N1 vaccination station and to obtain certificate on "anti-influenza epidemic and health friendly workplace". | <ul style="list-style-type: none"> TCB to obtain the certificate on "anti-influenza epidemic and health friendly workplace" by TIVS. |

N/A denotes not being listed as mid-and-long-term goals in 2020.

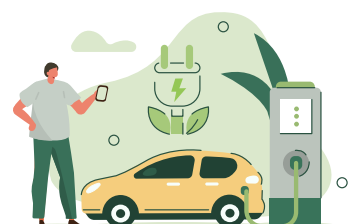
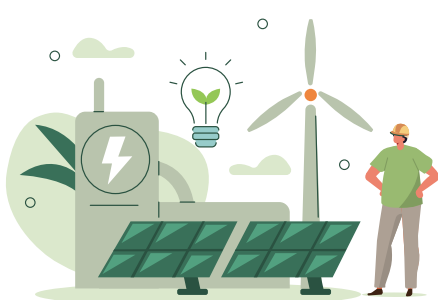
| Aspect | Goals | Actual Implementation by the Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goal (2022 – 2026) |
|--|---|---|--|--|---|
|  Occupational Environment Workplace Safety | <ul style="list-style-type: none"> TCB to set to introduce "ISO 45001 – Occupational Health and Safety Management System". | <ul style="list-style-type: none"> TCB has acquired the international certificate of "ISO 45001 – Occupational Health and Safety Management System" in 2020. |  Accomplished | <ul style="list-style-type: none"> TCB to continue to acquire the certificate of "ISO 45001 – Occupational Health and Safety Management System". | <ul style="list-style-type: none"> TCB to continue to prepare for review and acquisition of "ISO 45001 – Occupational Health and Safety Management System". |
| | <ul style="list-style-type: none"> TCB to target to attract 1,000 participants to "Occupational Health and Safety Lectures", with total training hours of 3,000. | <ul style="list-style-type: none"> Despite of being affected by COVID-19 pandemic, "Occupational Health and Safety Lecture" was still held in the second half of 2020, attracting a total of 596 participants, with total training hours of 3,576. | Unaccomplished | <ul style="list-style-type: none"> TCB to continue to attract 500 participants to "Occupational Health and Safety Lectures" every year, with total training hours of 3,000. | <ul style="list-style-type: none"> TCB to continue to attract 550 participants to "Occupational Health and Safety Lectures" every year, with total training hours of 3,300. |
|  Equality and Human Rights Industrial Relations Harmony between Employer and the Employed Employee Diversity, Tolerance and Equality Policy | <ul style="list-style-type: none"> To target to have more than 90% of employees joining labor union. | <ul style="list-style-type: none"> Ratios of employees joining labor union for both TCB and TCS were 98.69% and 85.93% respectively, with an average ratio of above 90%. |  Accomplished | <ul style="list-style-type: none"> To target to have more than 90% of employees joining the labor union. | <ul style="list-style-type: none"> Both TCB and TCS to maintain more than 90% of their employees joining each of their labor unions. |
| | <ul style="list-style-type: none"> To target to hold employment meetings regularly to ensure the harmony between employer and the employed. | <ul style="list-style-type: none"> All TCFHC subsidiaries have each convened 4 employment meetings in 2020. | | <ul style="list-style-type: none"> All TCFHC subsidiaries to hold employment meetings regularly every year. | <ul style="list-style-type: none"> All TCFHC subsidiaries to continue to hold at least 4 regular employment meetings a year so as to better communications between employer and the employed. |
| | <ul style="list-style-type: none"> To establish an open and transparent promotional system with emphasis on equality in the workplace. | <ul style="list-style-type: none"> The ratio of female holding supervisory roles to all supervisory roles in the TCFHC Group was 55.24%. | | <ul style="list-style-type: none"> To establish an open and transparent promotional system with emphasis on equality in the workplace. | <ul style="list-style-type: none"> To demand all TCFHC subsidiaries to maintain open and transparent systems on promotion, evaluation, and bonus distribution, and to continue to emphasize equality in the workplace. |
| | <ul style="list-style-type: none"> To target to reach disabled employee ratio of above 1 %. | <ul style="list-style-type: none"> The ratio of disabled employee in the TCFHC Group was 1.13%, exceeding statutory requirements. | | <ul style="list-style-type: none"> To maintain disabled employee ratio of at least 1%. | <ul style="list-style-type: none"> To maintain disabled employee ratio of at least 1% in all TCFHC subsidiaries. |















Environmental Sustainability

| Aspect | Goals | Actual Implementation by the Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|---|---|--|---|--|--|
|  Green Building | <ul style="list-style-type: none"> TCB to obtain "green building" label certificate for 2 of its locations. To reach 100% adoption rate of environment friendly materials for construction and refurbishments. | <ul style="list-style-type: none"> Two of TCB's locations have obtained "green building" labels with an achievement rate of 100%. Environment friendly materials have been adopted for construction and refurbishments projects, attaining a target achievement of 100%. |  Accomplished | <ul style="list-style-type: none"> TCB to obtain "green building" label certificate for 3 of its locations as accumulated. To reach 100% adoption rate of environment friendly materials for construction and refurbishments. | <ul style="list-style-type: none"> TCB to obtain "green building" label certificate for 8 of its locations as accumulated by 2026. |
|  Group Veggie Day | <ul style="list-style-type: none"> To set the first day of a month by lunar calendar the Group's Veggie Day. | <ul style="list-style-type: none"> The first day of a month by lunar calendar has been set as the Group's Veggie Day. |  Accomplished | <ul style="list-style-type: none"> To set both the first and the 15th days of a month by lunar calendar the Group's Veggie Day. | <ul style="list-style-type: none"> To set both the first and the 15th days of a month by lunar calendar the Group's Veggie Day. |
|  Signing "Clause of Supplier Commitment to CSR and Environmental Sustainability" | <ul style="list-style-type: none"> To make the "Clause of Supplier Commitment to CSR and Environmental Sustainability" a supplementary document to a tender, requiring 10% of the bid suppliers with procurement amount of exceeding NT\$ 1 million in the year to sign. | <ul style="list-style-type: none"> In 2020, TCB had 740 procurement cases, of which 277 case with a procurement amount of more than NT\$1 million complete signing the clause, accounting for 37.43% of all procurement cases with an achievement rate of 100%. |  Accomplished | <ul style="list-style-type: none"> TCB to continue to implement supplier management policy by having the bid supplier with procurement amount of exceeding NT\$1 million in that year to sign the "Clause of Supplier Commitment to CSR and Environmental Sustainability", with the signing ratio reaching above 30%. | <ul style="list-style-type: none"> To continue to implement supplier management policy by having the bid supplier with procurement amount of exceeding NT\$1 million in that year to sign the "Clause of Supplier Commitment to CSR and Environmental Sustainability" on an annual growth of 10% in the signing ratio until reaching 80% by 2026. |
|  Introduction of "ISO 14001 - Environmental Management System" | <ul style="list-style-type: none"> To continue to engage in verification for obtaining certificate of "ISO 14001 - Environmental Management System". | <ul style="list-style-type: none"> Four of TCB's locations have obtained certificate of "ISO 14001 - Environmental Management System". A total of 6 locations across TCS, TCBF, BNP TCB Life, TCSIT, TCVC, and AMC have obtained certificates of "ISO 14001 Environmental Management System". TCB has held a total of 4 training courses covering environmental sustainability related issues, attracting a total of 44 participants with 12 training hours in total. |  Accomplished | <ul style="list-style-type: none"> To continue to engage in the review and renew for certificates of "ISO 14001 Environmental Management System" on 7 TCFHC subsidiaries. To continue to provide educational trainings every year on issues related to environmental management. | |
|  Hold Environment Related Activity | <ul style="list-style-type: none"> To organize environment educational activity with at least 350 participants in 2020. | <ul style="list-style-type: none"> An "environment educational lecture" themed on water resource was held in 2020 to strengthen concept of water resource protection, attracting 395 employees of the TCFHC Group to attend, with an achievement rate of 100%. |  Accomplished | <ul style="list-style-type: none"> To continue to organize environment educational activity with at least 350 participants in each year, which is set to be accumulated to 3,350 participants by 2026. | |
|  Promote Paperless Operation | <ul style="list-style-type: none"> To make 2020 the base year for calculating paper consumption by each unit. | <ul style="list-style-type: none"> Total paper consumption in 2020 was 465,269kg. Paperless operation has been implemented in meetings and operational procedures. |  Accomplished | <ul style="list-style-type: none"> To make 2020 the base year, to which the projected annual reduction of 1% in paper consumption is maintained to compare. | |









| Aspect | Goals | Actual Implementation by the Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|--|---|---|---|---|--|
|  Green Procurement | TCB: <ul style="list-style-type: none"> To make at least 3% of procurement budget for information equipment spent on products certified with environmental protection labels. To adopt energy saving model with the use of environment friendly coolant for large size air conditioners, which shall account for 20% of the budget. To make 5% of procurement budget for both split type and window type air conditioners spent on inverter models with energy saving labels. To purchase at least 50,000kg of environment friendly paper in office stationary procurement. To make LED light bulb replacement procurement 100% of lighting equipment tenders. | TCB: <ul style="list-style-type: none"> Accumulated procurement of information equipment amount was NT\$95.23 million, with an achievement rate of 100%. Procurement expense for large, split type and window type air conditioners were NT\$31,138,400, with the total budget of NT\$120.981 million, exhibiting an achievement rate of 100%. A total of 63,425 kg environment friendly paper were purchased while engaging in office stationary procurement, exhibiting an achievement rate of 100%. 100% of tenders for lighting equipment were to adopt LED light bulb. |  Accomplished | <ul style="list-style-type: none"> To make at least 15% of TCB's accumulated procurement expense for information equipment in the year spent on products certified with environmental protection labels. | <ul style="list-style-type: none"> To reach at least 5% annual growth rate on TCB's accumulated procurement expense for information equipment in the year spent on products certified with environmental protection labels from 2019 onward with a target accumulated ratio of 40% by 2026. |
|  Reduction in Carbon Emission due to Business Needs | <ul style="list-style-type: none"> To estimate amount of reduction in carbon emission due to business needs in 2020. | <p>In 2020, a total of 723,286KgCO₂e was reduced, an amount equivalent of 1.85 times the annual carbon absorption by Daan Forest Park.</p> <ul style="list-style-type: none"> Efforts of employees taking public or other shared transportation for long distance business trips have in total reduced 282,006kgCO₂e, which is equivalent of 0.72 times the annual carbon absorption by Daan Forest Park. In 2020, a total of 17 high efficient and low energy consumed business vehicles were newly purchased. Instead of taking Taiwan high speed train, a total of 184 video conferences were held, which has in total reduced 441,280kgCO₂e, equivalent of 1.13 times the annual carbon absorption of Daan Forest Park. |  Accomplished | <ul style="list-style-type: none"> To make 2020 the base year, to which the annual 2% reduction in carbon emission due to business needs is corresponding. | |



| Aspect | Goals | Actual Implementation by the Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|--|---|---|---|--|---|
|  Introduction of "ISO 14064-1 Greenhouse Gases Emission Inspection" Certification | <ul style="list-style-type: none"> To continue to engage in the certification for "ISO 14064-1 Greenhouse Gases Emission Inspection". | <ul style="list-style-type: none"> Four locations of TCB have been certified with "ISO 14064-1 GHG Emission Inspections". Another 6 locations under TCS, TCBF, BNP TCB Life, TCSIT, TCVC, and AMC respectively have also been certified with "ISO 14064-1 GHG Emission Inspections". |  Accomplished | <ul style="list-style-type: none"> To plan to have 23 locations certified with "ISO 14064-1 Greenhouse Gases Emission Inspection". To expand items of "ISO 14064-1 Greenhouse Gases Emission Inspection" to scope 3 and make reduction plans. | <ul style="list-style-type: none"> To continue to engage in the certification review and renew for all 7 TCFHC subsidiaries on "ISO 14064-1 GHG Emission Inspection" and to obtain such certificates. |
|  Basic Energy Consumption Saving (water, electricity, and oil) | <ul style="list-style-type: none"> To estimate energy use statistics across the TCFHC Group in 2020. | <ul style="list-style-type: none"> Statistics on energy use in the TCFHC Group in 2020 are as follows: Water Use: 307,569,000 liters. Electricity Use: 46,643,771,000 Kwh. Gasoline and Diesel Use: 395,495 liters. Increase in energy consumption was mainly due to COVID-19 pandemic for which cleaning works consumed more energy, and increase in business, which increases frequency of business trips. |  Accomplished | <ul style="list-style-type: none"> To set energy reduction target for the TCFHC Group as a whole from 2021 onward, and to make 2020 the base year, to which the basic energy saving corresponding are as follows: Reduction of at least 10,000,000 liters in water use. Reduction of at least 500,000,000 Kwh in electricity use. Reduction of 10,000 liters in gasoline and diesel use. | |
|  Introduction of Certification of "ISO 50001 Energy Management System" | <ul style="list-style-type: none"> To continue to process verification for obtaining certificate of "ISO 50001 Energy Management System" for all 7 TCFHC subsidiaries. | <ul style="list-style-type: none"> Four locations of TCB have been certified with "ISO 50001 Energy Management System". Another 6 locations under TCS, TCBF, BNP TCB Life, TCSIT, TCVC, and AMC respectively have also been certified with "ISO 50001 Energy Management System". |  Accomplished | <ul style="list-style-type: none"> To make plan of introducing "ISO 50001 Energy Management System" to a total of 23 locations, and obtaining certificates. | <ul style="list-style-type: none"> To continue to engage in review of "ISO 50001 Energy Management System" in 7 TCFHC subsidiaries and to work to obtain certificates. |
|  Green Power Procurement | <ul style="list-style-type: none"> To purchase 10 units of green power. | <ul style="list-style-type: none"> Feasibility study for purchasing green power has been completed. Given disequilibrium between supply and demand in the market, green electronic products would be purchased instead. | Unaccomplished | <ul style="list-style-type: none"> To set the standard for purchasing green power or related green electronic products. | <ul style="list-style-type: none"> To set the standard for purchasing green power. To collaborate with NPO to adopt non-profit green power model to create more meaningful green power sources. To achieve more efficient energy use through energy control and power generation prediction. |
|  Resources Recycle and Reuse | <ul style="list-style-type: none"> To have the amount of resource recycle to reach 70,000kg. To have trash reduction enforced, and resources recycle and reuse implemented. | <ul style="list-style-type: none"> The amount of recycled resource has reached 205,447 for the TCFHC Group as a whole, exhibiting an achievement rate of 293.50%. |  Accomplished | <ul style="list-style-type: none"> To make 2020 the base year, to which an increase of 1% in recycled resources each year is maintained to compare. | |
|  Waste Management | <ul style="list-style-type: none"> To request suppliers to provide statistics on annual amount of waste generated by each unit. | <ul style="list-style-type: none"> A total of 238,883 kg waste was generated in the TCB Head Office building in 2020. |  Accomplished | <ul style="list-style-type: none"> To make 2020 the base year, to which the annual reduction of 2% in amount of waste is maintained to compare. | |
|  Reduction in Kitchen Waste | N/A | N/A | N/A | <ul style="list-style-type: none"> To make 2021 the base year, estimate kitchen waste of each units every month so as to set the reduction target of 2022. | <ul style="list-style-type: none"> To set the standard on kitchen waste reduction and to enhance promoting for the concept of reducing food leftover. |

N/A denotes not being listed as mid-and-long-term goals in 2020.

Public Interests

| Aspect | Goals | Actual Implementation by the Strategy | Progress | Goals for 2021 | Mid-and-Long-Term Goals (2022-2026) |
|--|---|---|---|--|---|
|  Joyful Learning | <ul style="list-style-type: none"> To reward for academic research and support disadvantaged pupils in remote areas. To promote provision of financial knowledges and encourage lifelong learning. | <ul style="list-style-type: none"> As of the end of 2020, the TCFHC Group has offered rewards for research and scholarship with a total amount of exceeding NT\$38.38 million. TCS has made a total donation of NT\$70,000 to both IPower empowerment society and "Teach for Taiwan" Foundation, benefiting a total of 210 people. In 2020, 2 terms of "TCB Lectures" were held as part of the effort to showcase TCFHC, the No.1 financial brand in LOHAS management, attracting a total of 859 participants, with a satisfaction rate of 97%. |  Accomplished | <ul style="list-style-type: none"> TCB to provide more than NT\$40 million as bonus or scholarship to reward for research and study in 2021. TCS to continue to donate a total of NT\$100,000 to 2 social welfare groups looking after pupils in remote areas. To expand the scope of TCB Lectures by holding 4 terms of lectures in northern, central, and southern Taiwan. To organize and hold more than 310 events including wealth management lectures, tax affairs lectures, customer seminars, and business forums. | <ul style="list-style-type: none"> To provide more than NT\$51 million as scholarship or bonus to reward for study and research by 2026. TCS to continue to make donation to social welfare groups looking after pupils with the number of institutions and the donated amount accumulated to 13 and NT\$700,000 respectively. To continue to expand the scope of TCB Lectures by incorporating in more and diverse issues to let more people to make early preparations for their retiring lives. To continue to hold wealth management and LOHAS related lectures for implementing financial inclusion. |
|  Healthy Living | <ul style="list-style-type: none"> To support and develop 3 ball sports teams – table tennis, badminton, and baseball. To promote benefits of taking up sports and exercises by holding various ball games. To nurture athletic talents through collaborations with different schools. | <ul style="list-style-type: none"> TCFHC has made an annual budget of NT\$100 million for development of 3 ball sports teams. In 2020, TCFHC has established collaborations with 20 schools on table tennis and badminton. There had been 3 ball sports camps being planned to hold in 2020 but was cancelled due to COVID-19 pandemic. Instead, 4 donation activities were held to raise fund for supporting local athletic activities. TCFHC has continuously held TCB Cup Slow Softball Tournament, Maxxis TCFHC Cup National Table Tennis Championship, and TCB Cup Badminton Tournament. As of the end of 2020, TCFHC had held a total of 86 ball sports games. |  Accomplished | <ul style="list-style-type: none"> To continue the development of 3 ball sports teams – table tennis, badminton, and baseball with the support of an annual expense of NT\$100 million and collaboration with 20 schools. To continue to hold 3 ball sports camps a year which is set to benefit a total of 900 pupils as accumulated. To capitalize on professional resources from the ball sports teams to host 6 TCB Cups sports events. | <ul style="list-style-type: none"> To continue the development of 3 ball sports teams – table tennis, badminton, and baseball with the support of an annual expense of NT\$100 million. To continue the collaboration with approximately 20 schools a year. To continue to organize 3 different ball sports camps a year, which is expected to benefit at least a total of 4,500 school pupils by 2026. To continue to hold TCB Cups sports events every year, expecting to reach 30 sets by 2026. |
|  Community Stability | <ul style="list-style-type: none"> To provide assistance to minority groups and families in urgent needs in different cities and counties. | <ul style="list-style-type: none"> As of the end of 2020, the TCFHC Group had in total made donations to 171 social welfare institutes. |  Accomplished | <ul style="list-style-type: none"> To provide assistance to minority groups and families in urgent needs in different cities and counties. To support local production and creativity industry by procuring agricultural, fishery, and creative products with an amount of NT\$250,000. | <ul style="list-style-type: none"> To make donations to 184 social welfare institutes with a total amount of exceeding NT\$29 million by 2026. To procure products related agricultural, fishery, farming, and creative industry with a total amount of NT\$1.5 million by 2026. |
|  Attendance and Care | <ul style="list-style-type: none"> To support the government's promotion of long-term care policy, and to support innovative service of family caregivers. | <ul style="list-style-type: none"> A total of NT\$16.5 million donation for innovative services by family caregivers has been reached through accumulations of NT\$300 donation for each mortgage life insurance policy paid in lump sum. In support of long-term care policy, Taiwan Association of Family Caregiver has received a total of NT\$8.68 million donations through: <ol style="list-style-type: none"> Organizing 13 Respite Care courses with 500 participants who offered respite coffee to 1,800 people. Forming Guardian Band, hosting 8 charity concerts and 7 Pan Pan flea markets. Organizing a total of 22 TCB's lectures for "long-term care seed staff", nurturing 1,414 long-term care seed staffs to promote concept of long-term care and financial knowledge. |  Accomplished | <ul style="list-style-type: none"> To continue to engage in donation activity with lump sum payment of mortgage life insurance. To continue to support Taiwan Association of Family Caregiver for engaging in service and donation for caregivers including providing respite care courses and respite coffee which is projected to benefit 3,200 people and forming "Guardian Alliance" by inviting 8 enterprises to come together to assist family caregivers with a target fundraising of NT\$300,000, along with another 10 long-term care promotional activities. To continue to organize a total of 10 TCB lectures for "long-term care seed staff". To make plans of arranging long-term care seed staff to take part in courses of "financial planning consultant for the elderly" and "family trust planning consultant" provided by Taiwan Academy of Banking and Finance and acquire relevant certificates. | <ul style="list-style-type: none"> To continue to engage in donation activity with lump sum payment of mortgage life insurance. To organize 60 long-term care related activities by 2026 including projections of 180 respite care academy's courses with 8,000 participants, 10,000 participants provided with respite coffee, and 8-10 enterprises joining the Guardian Alliance. To organize a total of 50 terms of TCB "long-term care seed staff" as accumulated by 2026. |

Achievements of COVID-19 Pandemic Prevention and Financial Relief Program

For coping with COVID-19 pandemic, TCFHC has set up a pandemic response task force to make appropriate policy and deployments including formulating standard operational procedures by following the guidelines promulgated by Central Epidemic Command Center, and adopting emergent measures such as off-site operations so as to ensure health of employees, continuous and normal business operations, and consistent quality of customer service. On the other hand, taking "sustainable development" as the principle, TCFHC has been actively supporting the government in various financial relief, stimulus, and local investment programs. In preparation for the post-pandemic era, the Company has placed more efforts to push for the "Trillion Dollars Based Financial Stimulus Program" which is set to support enterprises speeding up investment, assist development of low carbon industry, and facilitate enterprises engaging in international deployments. Furthermore, in addition to encouraging employees to make more consumption for stimulating local economy, TCB has taken the initiative to act as one of the exchange banks to cash "Triple Consumption Vouchers", an economic stimulus measure implemented by the Executive Yuan.

Pandemic Responsive Measures



Adopting customer visit registration system, visitors' diversification measures, advocating wearing facial mask, enforcing body temperature measurement and alcohol disinfection at entry, enforcing social distance policy, and providing various digital financial services.



Managing business visitors by installing body temperature measurement facility to monitor visitors' body temperatures in all of the offices.



Holding large conferences and indoor events by telephone or video to avoid gathering and close contact.



Implementing off-site work or work from home as well as flexible work schedule to reduce the risk of employee infection.

Employee Care



Ensuring daily report on employee's body temperature monitoring and self-health management, as well as allowing isolation leave on an individual case basis.



Closing down dine-in and dishing area in the canteen, replaced with packed meal box offering.



Subsidizing employee to take up vaccination for better immunity and providing special leave for COVID-19 vaccination.



Periodically posting latest pandemic information and relevant public hygiene measures through "Vocational Safety and Sanitation Class".



Increasing frequency and point of disinfection in the head office and other business locations and providing disinfection alcohol at entrance of all the offices.

Relief and Stimulus Program

In order to help easing drastic impact on society and economy due to COVID-19 pandemic, Taiwan Cooperative Bank has shouldered its social responsibility by providing an array of financial relief loan programs to support those severely affected, and has initiated contacts with existing clients to provide information on how to apply for late payment of commercial debts, extension of loan period, and waive of late payment penalty and interest, so as to help clients get through the trough. On the other hand, TCB has expedited optimizing features of its online loan application platform – "Microenterprise Happy e Loan" so as to facilitate clients making online loan applications. A dedicated inquiry hotline has been set up along with establishment of dedicated desks in branches across the Island so that customers can make telephone enquiry or appointments with branches they prefer to deal with if they are not used to making online applications. This way, it is expected to diverse flow of customer visit to physical branches, so as to reduce unnecessary contacts, shorten waiting time, and ultimately lower the risk of being infected.



Taiwan Cooperative Bank's
Financial Supports

| Relief Program | Number of Approved/ Application | Amount |
|--|------------------------------------|---------------------|
| Corporate Account <ul style="list-style-type: none"> Supporting the government's relief program by providing various types of relief project loan Providing "COVID-19 Pandemic Affected SME Project Loan" | 52,883 | NT\$580.315 billion |
| Personal Account <ul style="list-style-type: none"> Youth startup loan Micro entrepreneur loan Chained business franchisee loan Medicare professional credit loan Online application for second lien mortgage and credit loan | 69,882 | NT\$36.167 billion |
| Waive of Late Credit Card Payment Penalty | 553 | NT\$55.09 million |
| Total | 123,318 | NT\$616.537 billion |

TCB Spares No Effort in Backing Up

Mr. Chang has run a farm business for 18 years. His son just started off an architecture design business. When discussing about the future of the farm, they both found that whether they chose to sell or to continue to run the business, improving the B & B zone and the coffee shop's equipment and environment seemed inevitable. While they were oscillating about the next move, COVID-19 pandemic broke out. "We started to panic about the unknown future. Although the government has offered relief program in no time, we still dared to increase our financial burden as we didn't know how bad the situation would become. But when there were more and more different types of relief programs being rolled out, we then felt that we should carry on and give it a try."



The previous experience that Mr. Chang had with banking suggests that it's never easy to secure a bank loan, which entails a complex procedure of endorsement and guarantee. "We still called on Taiwan Cooperative Bank's Hualien Branch yet with heart trembling. In the bank, with the assistance of Manager Lin and his colleagues, it took us less than 40 minutes to get the application done, and Manager Lin even saw us off in person at the end. Despite so, then I still thought it would be a long way to go even eventually our case had been approved," Mr. Chang recalled and added.

"To our surprise, just 4 days later, Taiwan Cooperative Bank contacted me for depositing the money into our account!" As soon as learning the good news, Mr. Chang's son got down to the detailed plan and design of the project by targeting at luxury consumers who would take the farm as alternative to overseas holiday destinations. "We tore down the old decoration and furniture first, and adopt simplicity and industrial loft style as the element yet topping with Monet's Impressionism mingled with Maya's cultural characteristics, and then the new Monet garden café farm was born," explained Mr. Chang. Upon the completion of the first-phase work, the prototype of the Monet style garden and a lotus pond with a Japanese style bridge across on were formed. Infusing with Spanish style furniture and artworks as well as coffee bean pickers' tools provided by their Guatemalan friend Don Gus who runs a coffee bean farm in Guatemala, the new farm started to attract more visitors and coffee lovers.

During the refurbishing period, President Hung of SME Credit Guarantee Fund Taiwan (Taiwan SMEG) even paid special visit to the garden to show supports. Manager Lin from Taiwan Cooperative Bank's Hualien Branch who handled the case has been concerned about the progress. "The last piece of turf was finally laid on the first day of the Dragon Boat Festival holiday, and we started to greet visitors," said Mr. Chang.

Describing the case as the rebirth out of waiting-to-be-shut-down depression, Mr. Chang expresses his gratitude to assistances from all parties and stressed "we thank the government for maintaining the "baseball field", Taiwan SMEG letting us take "base on balls", and Taiwan Cooperative Bank pitching a ball to let us hit and score, so that we are able to turn loss into gain because of the relief arriving in time".

Other Recognitions

Taiwan Cooperative Bank has made use of its extensive service network, the largest one in Taiwan, to take up the role of financial supports by making relief loan application simpler, quicker, and easier for either the government's relief program or initiatives by the bank, just hoping to help clients getting through the difficult time. These efforts were recognized by Financial Supervisory Commission by granting TCB Excellence Prize for "Rewards for Encouraging Local Banks Expediting Relief and Stimulus Loan Program".



2020 Sustainability Achievements
Taiwan Cooperative Holdings

Corporate Governance



1.1 About TCFHC

Taiwan Cooperative Financial Holding Co., Ltd. (hereinafter referred to as the "Company" or "TCFHC") was established on December 1, 2011. The Company currently owns 7 subsidiaries which are Taiwan Cooperative Bank (TCB), Taiwan Cooperative Securities (TCS), Co-Operative Asset Management (CAM), Taiwan Cooperative Bills Finance Corporation (TCBF), BNP Paribas Cardif TCB Life Insurance (BNP TCB Life), Taiwan Cooperative Securities Investment Trust (TCSIT), and Taiwan Cooperative Venture Capital (TCVC). TCFHC is a financial holding group with financial expertise spanning across a broad range of areas, including banking, insurance, securities, bills, investment trust, assets management, and venture capital investment.

Basic Information of TCFHC (as of the end of December, 2020)



Date of Establishment

December 1, 2020



Location of Headquarters

Taipei City, R.O.C. (Taiwan)



Core Value

Proactive, Agile, and Innovative



Number of Employee

9,444



Total Assets

NT\$ 4,147,041.39 million



Paid-in Capital

NT\$133,342.24 million

1.1.1. Business Locations

With Taiwan Cooperative Bank being the core business, which has grown through different phases since being restructured as Taiwan Provincial Government's Co-operative Bank from Taiwan Cooperative Industrial Bank in October 1946, TCFHC has inherited the mission of facilitating development of national economic infrastructure and providing financial assistances to local cooperatives as well as farmers' and fishermen's associations. Following privatization and merger with Farmers Bank of China, as well as the subsequent expansion of businesses, TCB has grown into a financial holding company – TCFHC that has the most extensive service networks in Taiwan in terms of the number of physical branch. Meanwhile, in response to the change in financial market and digital technology trend, the Company has taken a steady step in developing multiple profit engines but speeding up the pace of digital transition so as to raise inter-subsidary synergy, increase international business offerings, strengthen and extend tentacles of financial services, and expand global service network. In the future, TCFHC will continue to tap into the integration of inter-subsidary resources to provide customers with comprehensive financial services, moving towards goals of expanding into a regional financial institution in the Indo Pacific Region.



TCFHC Group's Business Locations

- Taiwan Cooperative Bank
- Taiwan Cooperative Securities
- Co-Operative Asset Management
- Taiwan Cooperative Bills Finance Corporation
- BNP Paribas Cardif TCB Life Insurance
- Taiwan Cooperative Securities Investment Trust
- Taiwan Cooperative Venture Capital

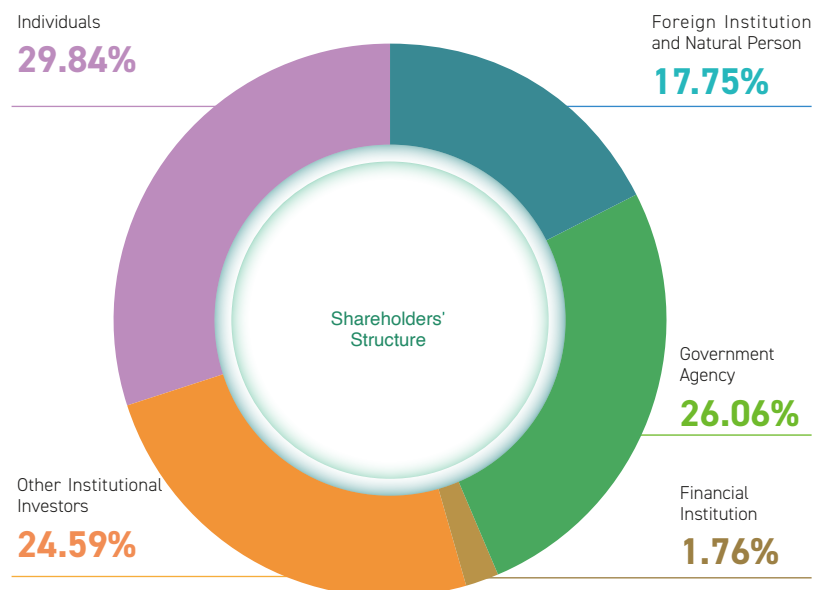


1.1.2 Shareholders' Structure

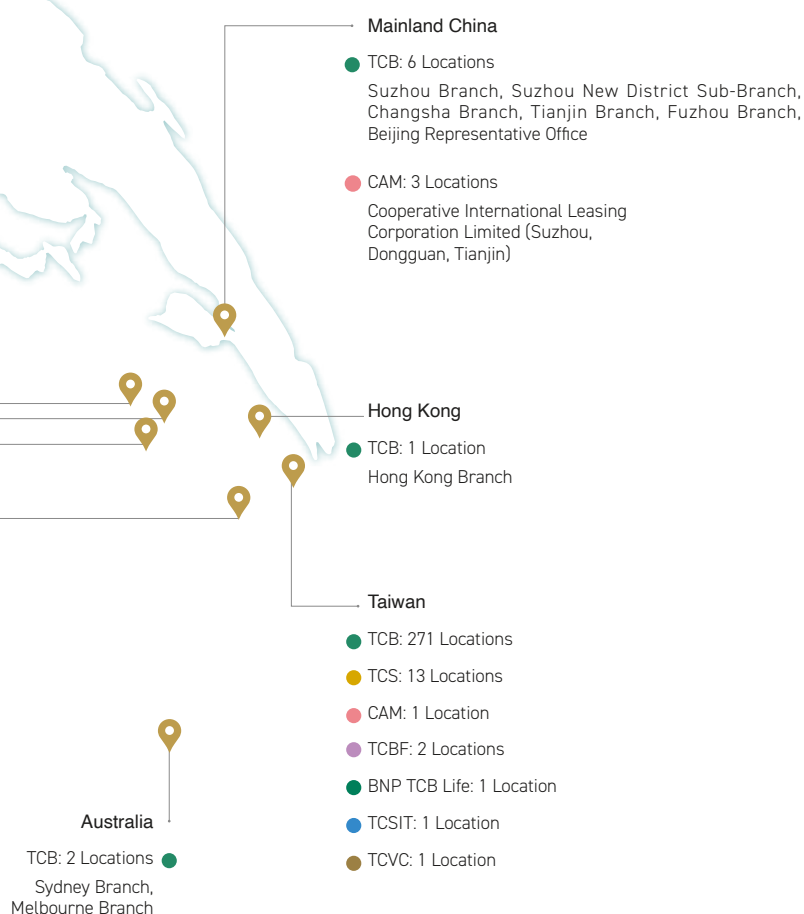
TCFHC was established in accordance with relevant regulations including "Financial Holding Company Act" and "Company Act" and has also followed regulatory framework and bylaws in performing corporate governance and business operations. Of major shareholders of TCFHC, Ministry of Finance is the largest one in terms of the number of shares held (holding 26.06% of TCFHC shares). With a stable shareholders' structure, other major shareholders include a list of domestic and international enterprises and institutional investors such as Chunghwa Post Company, Taiwan Tobacco and Liquor Corporation, National Farmers' Association, R.O.C.. The general shareholders' meeting is held annually around the mid-year, in which updated business operation overview is reported along with discussions on financial statements, distribution of earnings, and amendments of bylaws.

Shareholder Structure of TCFHC

Shareholding Ratio (%)



Note: The statistics as of the book closure starting date on April 27th, 2021.



1.1.3 Business Operations and Profitability

Despite of impact of COVID-19 on the global economy in 2020, TCFHC has continued to pursue growth as underpinned by both of its steady operational foundation and the synergy generated through inter-subsidiary collaborations, which have resulted in the performance of generating NT\$17.135 billion consolidated net income or earning per share of NT\$1.24 as being translated with ROA and ROE standing at 0.43% and 7.38% respectively. In addition, all of the TCFHC subsidiaries have exhibited steady operational performance, of which TCB, the one that has the largest operational scale among TCFHC subsidiaries, generated a net income of NT\$14.903 billion or earnings per share of NT\$1.42 in 2020 while both TCS and BNP TCB Life hit historical high in profits. In the future, TCFHC will continue to develop new momentum for generating more profits with diverse sources so as to elevate the overall operational performance of the Group, and hence create sustainable value for shareholders, employees, and customers.

Business Operations and Profitability of TCFHC

| | 2018 | 2019 | 2020 |
|------------------------------|---|------------|------------|
| Business Operations Overview | Total assets (NT\$ million) | 3,508,288 | 3,739,488 |
| | Total liabilities (NT\$ million) | 3,295,814 | 3,512,581 |
| | Equity (NT\$ million) | 212,474 | 226,907 |
| | Net worth per share (NT\$) | 16.57 | 17.10 |
| | Net income (NT\$ million) | 16,016 | 17,612 |
| | Average revenue per employee (NT\$ thousand) | 5,128 | 5,206 |
| | Average profit per employee (NT\$ thousand) | 1,752 | 1,868 |
| | Expense on employee welfare (NT\$ thousand) | 16,334,966 | 16,787,527 |
| Profitability | Return of asset (% , after tax) | 0.46 | 0.49 |
| | Return of investment (% , after tax) | 7.66 | 8.02 |
| | Net income ratio (%) | 34.17 | 35.87 |
| | Earnings per share ^(note) | 1.17 | 1.29 |
| Dividend/Tax/ Donation | Cash dividend per share (NT\$) | 0.75 | 0.85 |
| | Stock dividend per share (NT\$) | 0.3 | 0.3 |
| | Income tax paid in the current period (NT\$ thousand) | 2,754,908 | 2,321,724 |
| | Donation (NT\$) | 291,764 | 285,829 |

Note: The influence of issuing bonus share has been taken into retroactive adjustment when calculating the earnings per share.

Business Performances of TCFHC Subsidiaries in 2020



1.1.4 Credit Ratings

According to credit rating reports issued by different international and domestic rating agencies, TCFHC and the rated subsidiaries have all been well rated mostly with "stable" outlook, which indicates that the TCFHC Group has possessed outstanding business management capability and market stability and therefore is worthy the trust of customers and investors.

Credit Ratings of TCFHC and Subsidiaries

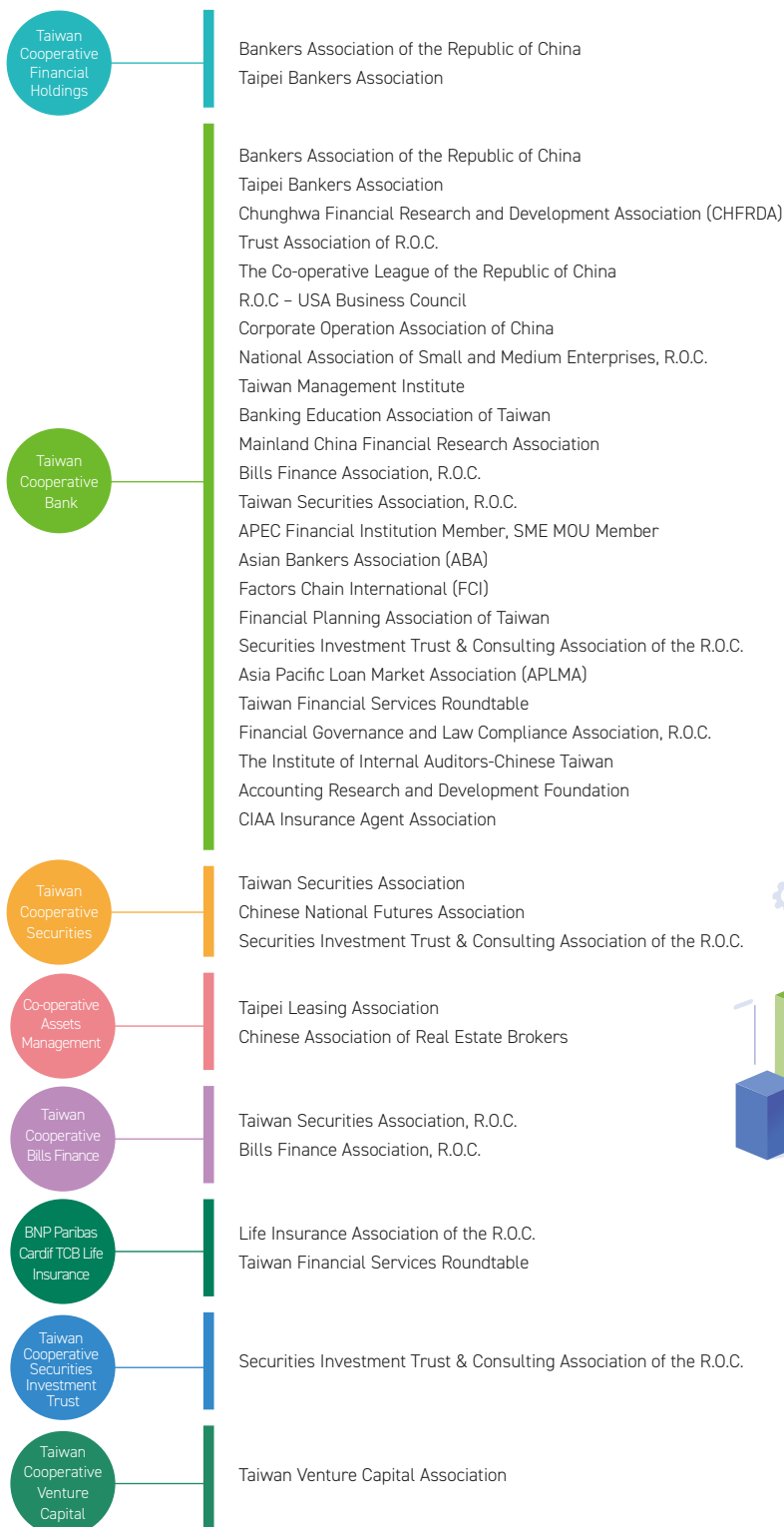
| Company | Rating Agency | Long-term Rating | Short-term Rating | Outlook |
|--------------|-------------------|------------------|-------------------|----------|
| TCFHC | Standard & Poor's | BBB | A-2 | Stable |
| | Taiwan Ratings | twAA- | twA-1+ | Stable |
| TCB | Standard & Poor's | A | A-1 | Positive |
| | Taiwan Ratings | twAA+ | twA-1+ | Positive |
| 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 |

Note: Definitions of ratings can be found at websites of Taiwan Ratings (www.taiwanratings.com), Standard & Poor's (www.standardandpoors.com), and Fitch Ratings (www.fitchratings.com)

1.1.5 Participation in Guilds and Associations

The businesses that the TCFHC Group operates are all finance related. Members of the TCFHC Group are all active in participating different guilds, association, and propositional organizations, hoping to wield influences in different industries through communications, exchanges, and cooperation, for increasing the Group's internationally sustainable competitiveness.

Guilds and Associations that TCFHC and its Subsidiaries Participate



1.2 Corporate Governance

Management Approach of 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 Practice Best Practice Principle" to establish a well-grounded corporate governance system and hence sound operations.

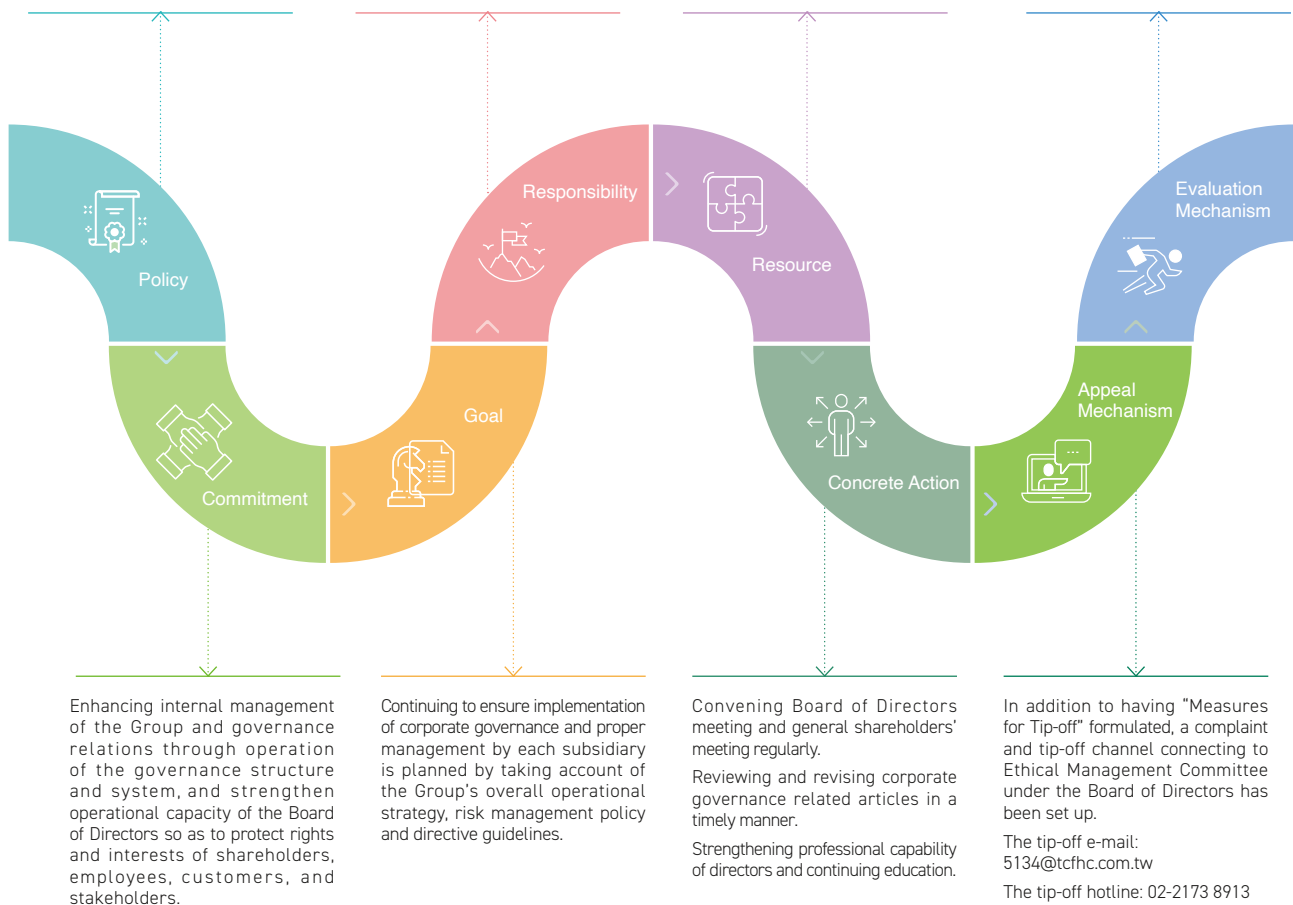
The Board of Directors serving as the highest unit of governance to direct the company's strategy, supervise the management, engage in corporate governance as prescribed by relevant regulatory framework, and be responsible to the company and the shareholders.

Each subsidiary to assign suitable and appropriate number of corporate governance specialists subject to each of their scales, business status, and needs of management, as well as to appoint heads of these teams to work together on matters related to the TCFHC Board of Directors.

The "Corporate Governance Blueprint 3.0 – Sustainable Development Blueprint" drafted by Financial Supervisory Commission with enacting timeline from 2021 to 2023.

"Corporate Governance Assessment of TWSE and TPEx-Listed Company" co-drafted by Taiwan Stock Exchange and Securities and Futures Institute.

"Measures for Performance Evaluation of Board of Directors" formulated by TCFHC.

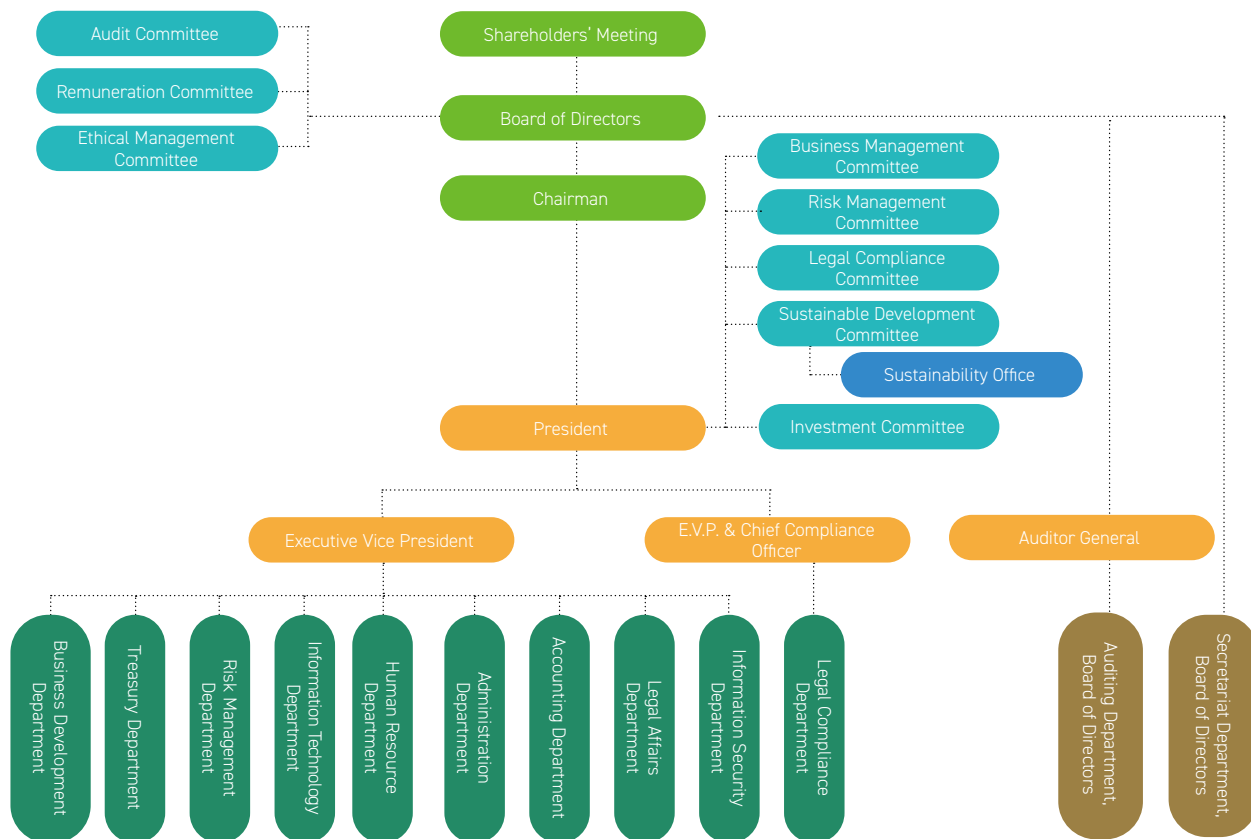


1.2.1 Corporate Governance Units

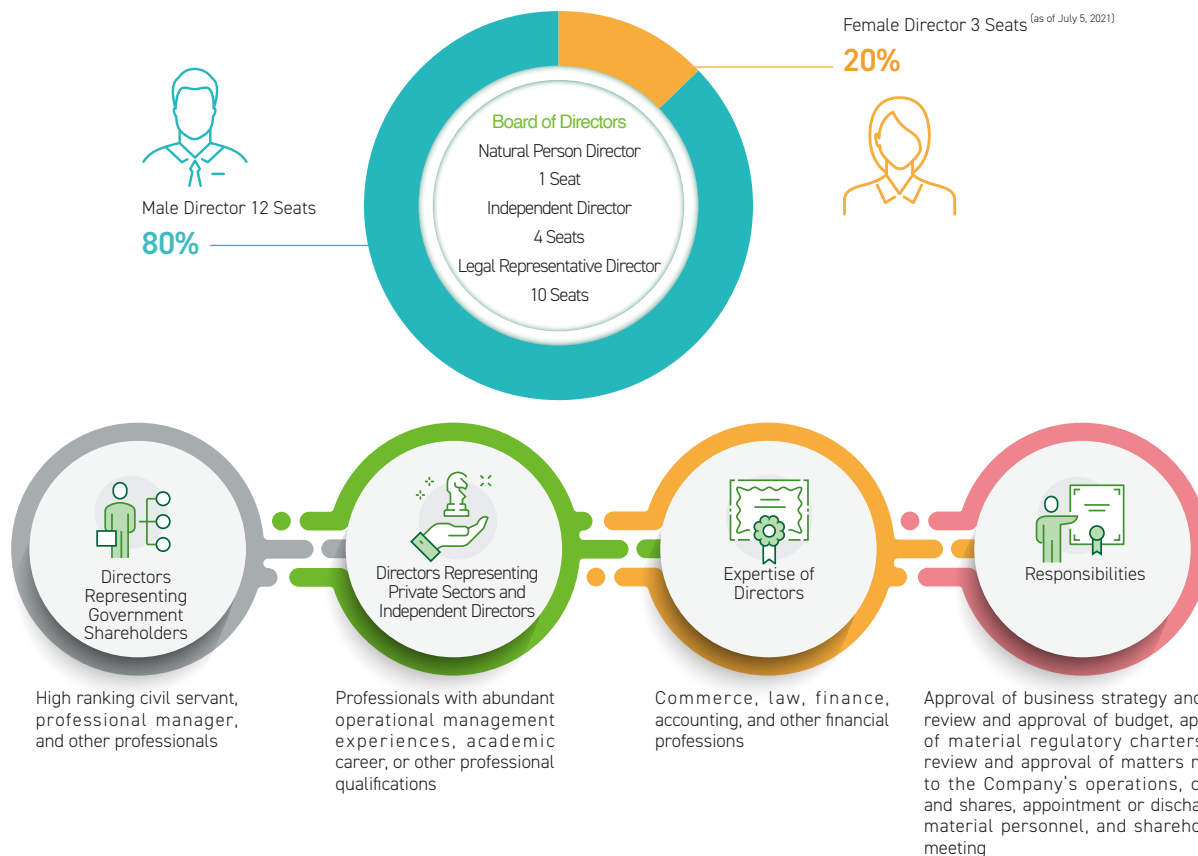
In order to push for corporate governance, operational performance, and refined corporate culture, in addition to establishing a well-defined corporate structure, TCFHC complies with governance related regulations including "Articles of Incorporation", "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Corporate Social Responsibility 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.

In 2020, TCFHC had in total convened 12 regular Board of Directors' meetings and 4 ad hoc meetings of the Board of Directors with an average attendance rate of 95%. Outstanding performance in corporate governance has raised TCFHC's profile in the 7th "Corporate Governance Assessment on TWSE and TPEx-Listed Company", lifting its rankings to the top 6% -20% among Taiwan's listed companies. Furthermore, TCFHC has continuously been selected as constituents of "TWSE Taiwan CG 100 Index", "TWSE RA Taiwan Employment Creation 99 Index", "The TWSE RAFI Taiwan High Compensation 100 Index", and "FTSE4Good TIP Taiwan ESG Index", as well as being selected as a constituent of MSCI ESG Index for 5 straight years. The MSCI ESG Index raised the rating of TCFHC to "BBB" in 2020.

Governance Structure of TCFHC



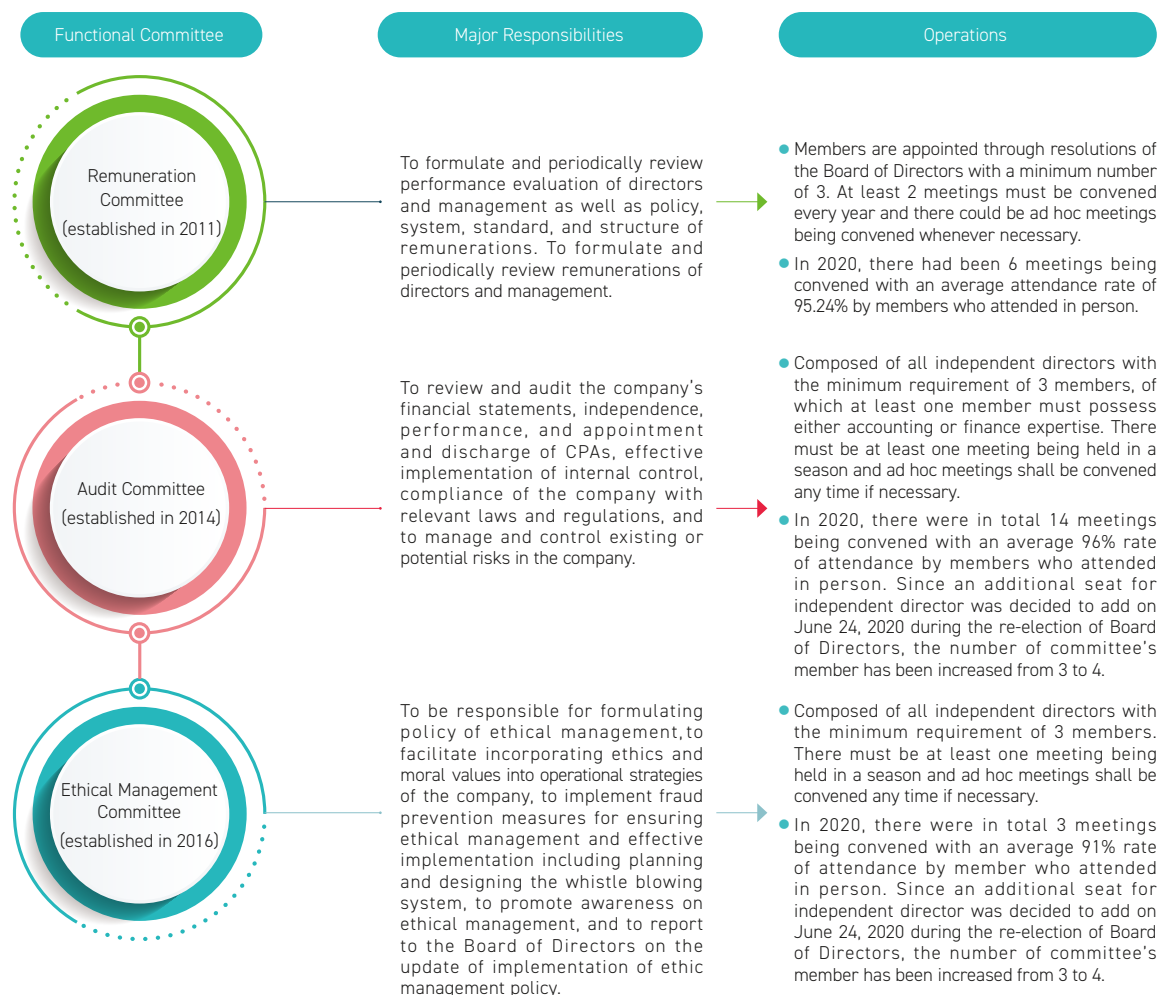
Composition of Board of Directors



1.2.2 Functional Committee

In order to signify independence and professional capacity of the Board of Directors, TCFHC has established 3 functional committees subordinated to the Board of Directors namely, Audit Committee, Remuneration Committee, and Ethical Management Committee. Meanwhile, in order to strengthen corporate governance and improve risk management and legal compliance systems, specific issue committees are also established under the supervision of the Chairman.

Operations and Responsibilities of TCFHC's Functional Committees



1.2.3 Continuing Education for Directors

In order to continue to strengthen professional capacity of the Board of Directors, TCFHC has arranged each and every director to participate financial related courses or seminars organized by such external organizations as Ministry of Finance, Central Bank, Securities and Futures Institute or internally by TCFHC itself with expectation of reinforcing all of the directors' professional capabilities so as to empower corporate governance in the company. In 2020, the total length of the continuing education pursued by all of the TCFHC directors was 209 hours with course content ranging across corporate governance, financial technology, information security, anti-money laundering, risk management, and internal control and audit. For details of courses that the TCFHC directors have participated, please visit the website of TWSE's Market Observation Post System for inquiry.



1.2.4 Performance Evaluation of Directors

In order to raise operational efficiency of the Board of Directors, TCFHC has stipulated "Measures for the Performance Evaluations of the Board of Directors", which was amended in 2020 for further improving corporate governance and strengthening quality of information disclosure. The performance evaluations are carried out by both the Board of Directors and the executive units of functional committees, at least once a year. The external performance evaluation which began in 2018, is carried out at least once every three years by external institutions, experts, or academic researchers. 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 2020, with internal evaluation encompassing Board of Directors, individual directors, and functional committees, the results on all evaluated was all "excellence". In addition, in order to reinforce the independence and effectiveness of performance evaluation on the Board of Directors, TCFHC contracted external consultant to conduct external performance evaluation in August 2020. In this evaluation, TCFHC was rated as "advance" on all the three major aspects of the evaluation including Structure, People, and Process and Information.



Performance Evaluation of
the Board of Directors

1.3 Ethical Management

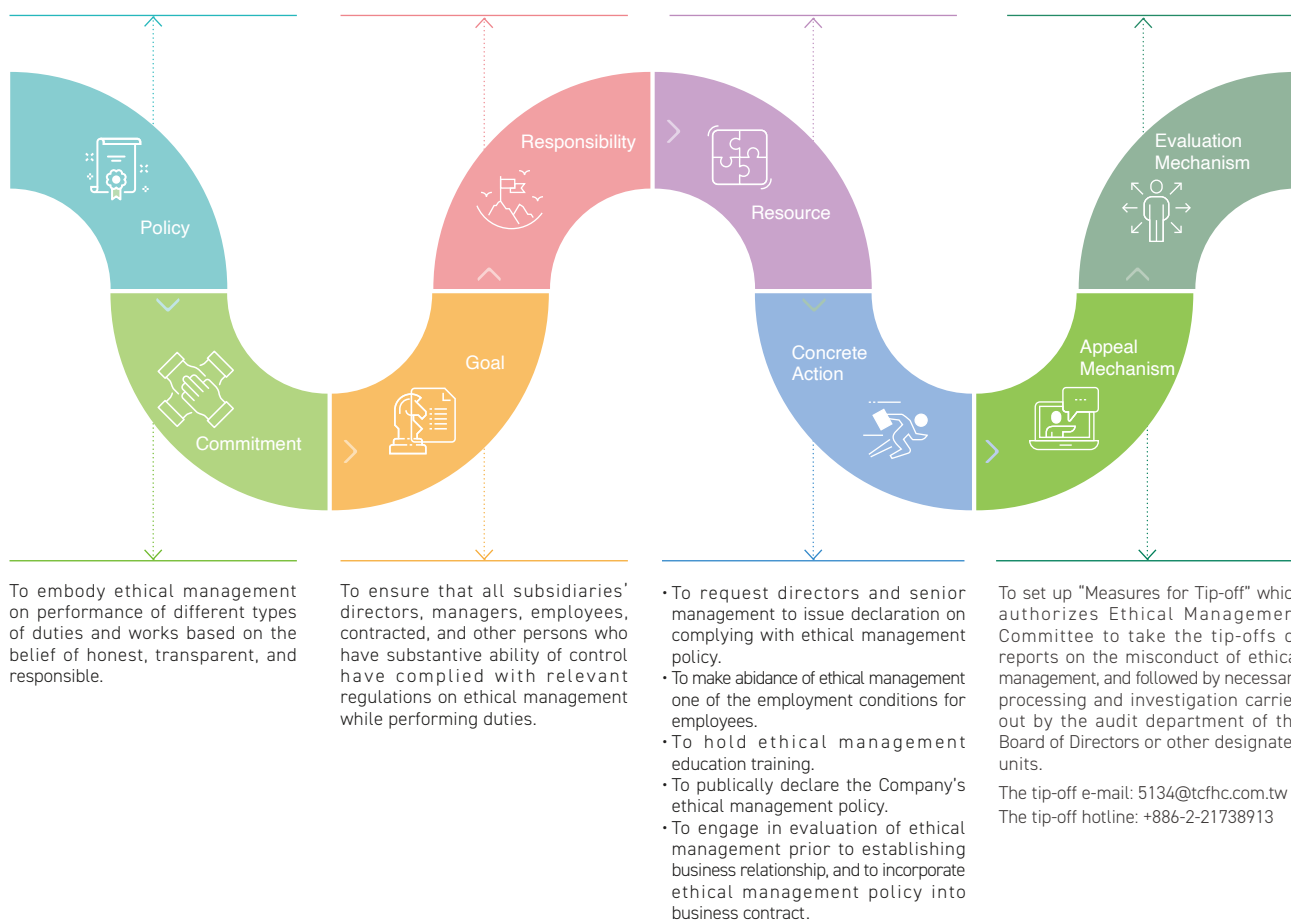
Approach of Ethical Management

To formulate "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" that serve as the norm and basis for ethical management and governance.

To request all the subsidiaries to adopt fair and transparent approaches in conducting business activities and forbid any dishonest conduct for gaining and maintaining benefits.

To designate the "Ethical Management Committee" which is subordinated to the Board of Directors, as the unit in charge of the formulation, supervision, and execution of ethical management.

To set up the reward and penalty system based on the status of ethical management, which is also connected to human resources policy and performance evaluation of employees.



1.3.1 Promotion of Ethical Management

Ethical management is not just fundamental to an enterprise pursuing sustainable development but also integral to the corporate governance. In order to push ahead with the effective implementation of ethical management, in addition to citing relevant regulations governing business conducts including "Financial Holding Company Act", "Company Act", "Securities and Exchange Act", "Business Entity Accounting Act", and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", TCFHC has stipulated of its own bylaws of "Ethical Corporate Management Best Practice Principles", and "Procedures for Ethical Management and Guidelines for Conduct" by referring to "Anti-Corruption Act", "Government Procurement Act", and "Act on Recusal of Public Servants Due to Conflicts of Interest". TCFHC expects that a well-planned regulatory framework can help inducing all members and staffs to comply with principles of ethical management and then having the principles rooted in daily lives and works so as to improve the governance mechanism and operational development.

All of the TCFHC subsidiaries have had to report to each of its Board of Directors respectively updates on the implementation of each of their Ethical Management Best Practice Principles. The updates on the implementation of Ethical Management Best Practices Principles have been reported to each of the subsidiaries' Board of Directors in 2021. In order to further fulfill commitment to ethical management, TCFHC stipulated "Declaration on the Compliance of Ethical Management by Directors and Senior Management" in May 2020 and has since received a total of 109 signed declarations from all directors and senior management of TCFHC and its subsidiaries, attaining a 100% of signing rate.

Meanwhile, TCFHC is set to disclose its ethical management policies on internal regulations, annual reports, official website, or other promotional materials in a timely manner, or choose to make public of the information on product launch events or institutional investors conferences, to enable suppliers, customers, and other business related institutions or agencies to realize the determination of TCFHC in pursuing ethical management.

TCFHC has brought the spirit and framework of ethical management into internal regulations of "Guidelines of Services and Conducts by Employees" and "Supplier Management Policy", to prohibit employees from providing, promising, demanding, or receiving any illegitimate benefit directly or indirectly, or engaging in any unethical conduct that violates integrity, breaks the law, or breaks the trust for gaining or maintaining any benefits, when engaging in any business conduct or carrying out tasks. In addition, prior to establishing business relations, the evaluation of ethical management shall be undertaken in order to avoid engaging in transactions with unethical business operators. The ethical management policy is also brought into the content of business contract. In 2020, there was not any TCFHC subsidiary violating the principle of ethical management or making any flaw with significant impact. Neither did any of TCFHC subsidiaries commit any conduct involving fraud, inside trade, anti-competition, anti-trust, and monopoly, nor such conduct as manipulating the market. Number and value of relevant lawsuit are both 0.

1.3.2 Whistleblowing Measures

In order to prevent unlawful conduct and ensure the practice of ethical management in the company, in 2020 TCFHC revised "Measures for Whistleblowing" in accordance with Article 36-2 of "Corporate Governance Best Practice Principles for Financial Holding Companies", Article 28-3 of "Corporate Governance Best Practice Principles for TWSE and TPEX-listed Companies", Article 23 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", and Article 34-2 of "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries". The revised Measures for Whistleblowing rules that if any employee with TCFHC or its subsidiaries is found to have provided, received, promised, or requested any illegitimate benefits, or to have engaged in any conduct that breaks integrity or entrusted compulsory, or to have been suspected for committing crime or fraud, or violating financial related regulations, anyone can raise such a case or report to Ethical Management Committee through designated email address on the website or internal hotline, then the audit department of the Board of Directors or other designated unit in charge will carry out with the investigation.

All the procedures of investigation and results regarding tip-off cases shall be properly documented and then be submitted to Ethical Management Committee for reference as well as be reported to the Board of Directors. The identity of the whistleblower shall be kept in confidential and neither should there be any damage to the rights and interests of nor any adverse act against the whistleblower. In 2020, there was no such thing as aforementioned being occurring in the TCFHC Group. In addition, if the tip-off case is found out to be true, TCFHC will resort to relevant punitive measures against those who are reported or involved, or have

TCFHC Ethical Management Whistleblowing Channel
Tip-off email : 5134@tcfhc.com.tw
Tip-off hotline: +886-2-21738913
Unit in charge: Ethical Management Committee



the offenders discharged if it is a serious offense along with the case being publicized on the company's intranet. Afterward, the whistleblower will be rewarded according to the seriousness of the case. In 2020, there was a total 8 cases being reported via the tip-off email address, and all of the cases had been investigated and closed without having any evidence of violation found out.

1.3.3 Educational Trainings

In order to let every employee in the TCFHC Group not just realize the importance of ethical management but also be willing to comply with ethical management policy and rules, TCFHC continuously holds ethical management related educational trainings every year which requires all employees to attend. The relevant educational trainings on ethical management conducted in 2020 for all directors, senior management and general employees across the Group, were attended by a total of 9,300 trainees with a total training hours of 8,264. The training take-up rate was 100%.

1.4 Risk Management and Audit System

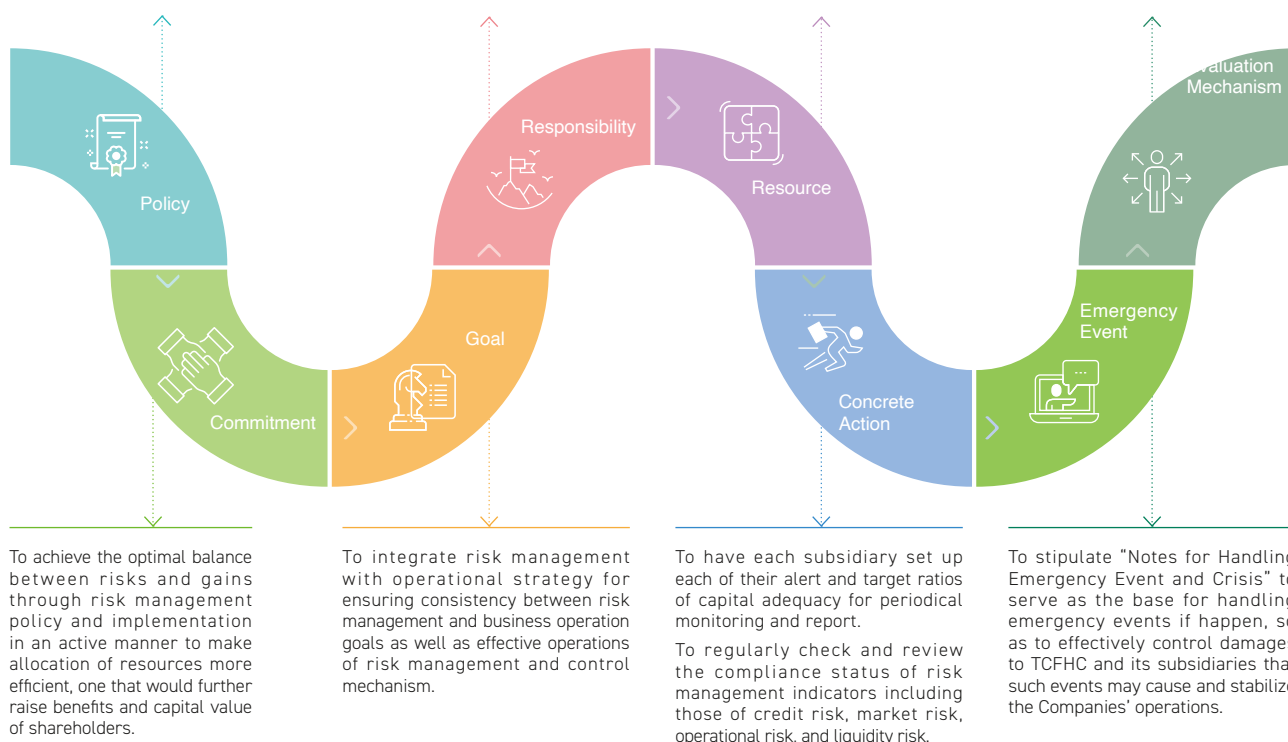
Approach of Risk Management

To establish "Guidelines of Risk Management Policy and Directives" in accordance with "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" stipulated by Financial Supervisory Commission for implementing management of major risks that may expose to businesses involved.

To form the three lines of defense by units of business operations, risk management, and audit, each of which takes respective responsibilities on monitoring, controlling, and auditing risks, to keep attention to any possible changes and influences by both external and internal risks, so as to keep risks in check effectively.

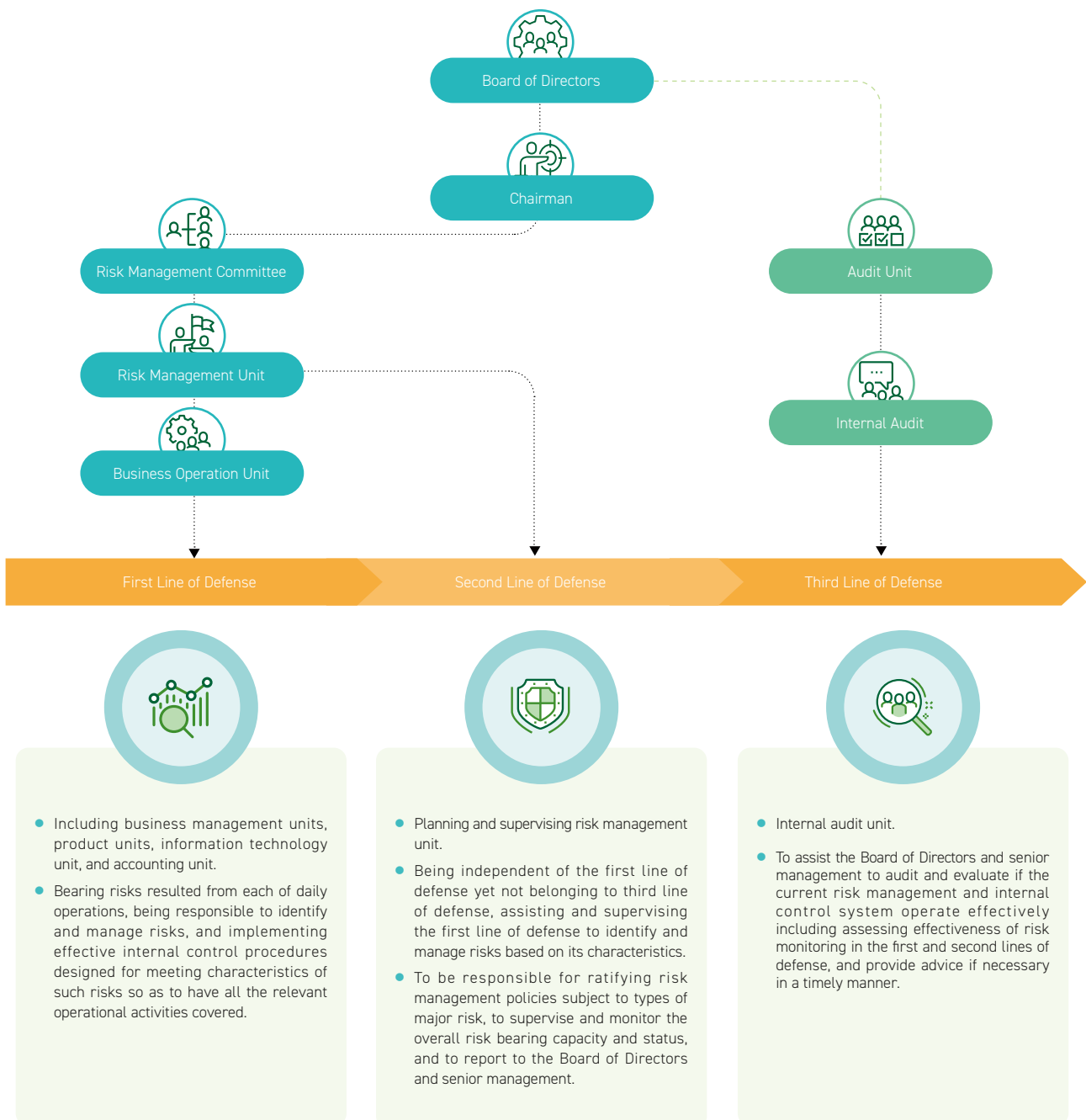
To establish "Risk Management Committee" under the Chairman to take charge of reviewing risk management policy and indicators, monitoring different risk status and operations, and supervising and coordinating for risk management related matters among different subsidiaries.

To conduct general operation audit on TCFHC by audit department of the Board of Directors at least once a year, and special project audits of financial, risk management and legal compliance on TCFHC and its subsidiaries at least once every 6 months.



Organizational Structure of Risk Management

Based on the three lines of defense proposed by Financial Supervisory Commission, TCFHC has sketched out the organizational structure of risk management, in which the Board of Directors serves as the highest decision making body and the final bearer of the Group's risk management and "Risk Management Committee" consisting of the chairman, president, executive vice presidents, heads of unit, and president of each subsidiary is set up to establish connections with risk management units (2nd line of defense) and business operation units (1st line of defense) of TCFHC and each of its subsidiaries.



Major Risks of Risk Management

The major risks that the TCFHC Group has been monitoring include credit risk, market risk, operational risk, and liquidity risk, which are managed by looking into authorization mechanism, limit management, indicator monitoring, and risk report. Each subsidiary also has set up risk indicators and controlling operational procedure of its own respectively by the nature of products, operational scale, and category of risk. In December 2020, the capital adequacy for the Group as a whole was 128.43%, which has already met both the target ratio (110.25%) and the alerting ratio (105.25%). The internal audit unit of the TCFHC Group has already carried out the audit and inspection tasks as scheduled in 2020.

1.4.1 Emerging Risk Management

In response to newly emerged risks resulted from continuous changes in economy, society, and natural environment, the TCFHC Group has established mechanism for identifying newly emerged risks including emerging risk identification, evaluation of impact, and formulating risk mitigation measures and corresponding management system. Meanwhile, the TCFHC group has incorporated climate change issues into operational risk assessment to grasp risks and opportunities of climate change and achieve the goal of sustainable business development. For climate change risk management, please refer to "Environmental Sustainability" chapter.

Emerging Risk Management



In 2020, the emerging risks being identified include cyber-attack, transmitted disease, climate change, and change of international financial developments and regulatory frameworks.

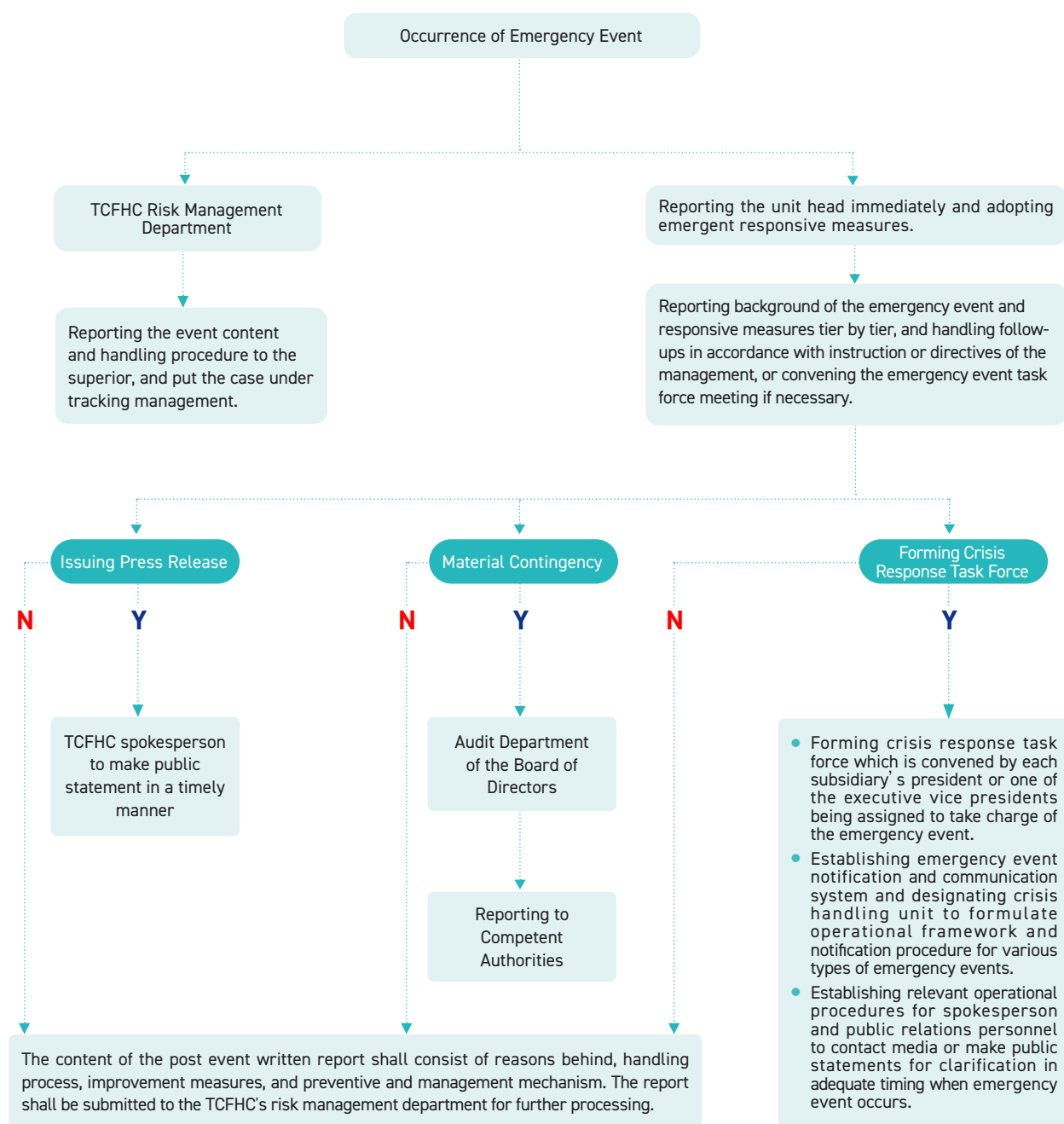


| Risk Factors | Impacts on Business and Operations | Responsive Measures |
|-----------------------------------|---|--|
| Cyber-attack | <ul style="list-style-type: none"> Methods of cyber-attack is ever evolving which has made both the possibility of system intrusion largely increased and the chance of personal information leaking increased, resulting in risks of penalty imposed by competent authority, customer litigation, or interruption of operations. | <ul style="list-style-type: none"> To reinforce depth of defense and network partition including deploying firewall, anti-virus measures, intrusion detection, distributed denial-of-service attack (DDoS), and advanced persistent threat (APT) in order to construct an effective and all around information security defense system. To conduct drills on back-up, distributed denial-of-service attack, and information security incident to ensure sustainable operations of the enterprise. To continue to conduct drills on social engineering email for raising employees' awareness of information security risk. To strengthen information security defense mechanism in overseas institutions by engaging in information security inspection on overseas institution. |
| Infectious Disease | <ul style="list-style-type: none"> The fast spread of new infectious disease has brought impacts on the international economy, which drives up the Group's operational risk, affecting operational performance. The severity of the pandemic has disabled onsite inspection of credit account holder's operational status, increasing credit risk of the Group. The enforced isolation of employee has influenced operational efficiency of the Group. | <ul style="list-style-type: none"> To form an emergent response task force based on "Emergent Responsive Measures on Uninterruptible Operations". To conduct drills on uninterruptible operations every year so as to ensure continuous operations of the Group. To closely monitor development of the global pandemic with a particular emphasis on changes in operations of industries sensitive to the pandemic. To actively push for development of online business for alleviating impact of the pandemic on the Group's operations. |
| Climate Change | <ul style="list-style-type: none"> Climate change is likely to result in the impact on and change in international credit offering criteria and standard, assets value of various industries, green energy policy, and operational cost. | <ul style="list-style-type: none"> To establish an inter-subsidiary TCFD task force within the TCFHC Group to tackle risks caused by climate change and to promote green finance and green operations. For details of responsive conducts, please refer to section 4.1 – Management of Climate Change Risk. |
| International Financial Situation | <ul style="list-style-type: none"> The asset bubble in major economies may aggravate financial market tumbling that leads to increase in risk and fluctuation of profits. | <ul style="list-style-type: none"> To constantly monitor market information and key macroeconomic data of major economies in the world for making preparations for reducing impacts if any material changes in market occurs. To have relevant risk precautionary indicators and risk limit set up with close monitoring. To have passed the 2-year-long stress test requested by Financial Supervisory Commission (FSC), with both capital adequacy ratio and leverage ratio meeting FSC's minimum requirements on domestic systemically important banks (D-SIBs), for which Taiwan Cooperative Bank is one of the six being selected in Taiwan. In response to the fast changing financial situation, Taiwan Cooperative Bank has set up a capital adequacy ratio increase plan for continuously strengthen capital structure and thus the risk bearing capacity. |
| Change in Legal Framework | <ul style="list-style-type: none"> With constant changes in legal framework, enterprises are faced with uncertainties on operational policy and financial operations. | <ul style="list-style-type: none"> To keep abreast of legal framework for making early legal compliance deployment and changes in operational policy. To bring in strategic partners for increasing business scope of Company so as to avoid risk involved in product or policy overconcentration and changes of relevant regulations. |

1.4.2 Emergency Event Responsive Mechanism

In order to have an effective and instant response towards emergent risk events in the Group for alleviating incident or resume operation at the fastest instance, TCHFC has set up "Notes for Handling Emergent Events and Crisis", by which if any emergency event occurs, the emergency event notification and communication system shall be activated immediately with an emergent task force formed to take charge of the emergency event. All the progress and development then shall be made public in uniform through the publicity system. The unit in charge of the emergency event shall review carefully reasons behind, handling process, and post-event improvement measures and afterward submits a written report to the superior.

Operational Procedure for Handling Emergency Event



1.4.3 Internal Audit Organization and Operations

In order to better risk management through the effective implementation of internal audit, TCFHC has formulated "Principles of Audit" and further established general auditor system to oversee overall audit operations based on "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries". The audit department subordinated to the Board of Directors is also set up to carry out audit operations in an independent stance, and assist the Board of Directors and senior management in auditing and evaluating if internal control system operates effectively, and then provide recommendation on improvement. If there is any undertaking incurring punitive actions from financial related authorities, the audit department has the responsibility to report to the Board of Directors and has to pass the case to internal audit unit to take charge of follow-ups so as to ensure proper operation of internal audit system.

In 2020, the audit department of TCFHC Board of Directors 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 prompt the gains on overall operational and risk management of the Group.

Operations of Internal Audit



1.4.4 Information Transparency and Disclosure

TCFHC has been concerned with rights and interests of shareholders and stakeholders, and has been continuously working to improve timeliness and transparency on disclosure of financial and non-financial information. In addition, there are dedicated persons to update information both in Chinese and English on corporate governance, financial performance, and material messages which are post on the official website's "Investors' Zone", "Stakeholders' Zone", and "Sustainable Development Zone". The material information is also made public on the TWSE's MOPs simultaneously. Meanwhile, in addition to holding institutional investors conference every quarter, TCFHC has set up a well-rounded spokesperson system and investor relations contact with the expectation of assisting stakeholders in acquiring needed information through diverse communications channels.

| Nature of Information | Public Information | Communication Channel |
|-----------------------|---|--|
| <p>Finance</p> | <ul style="list-style-type: none"> Quarterly Financial Report Chinese and English versions of "Annual Shareholders' Meeting Handbook", "Annual Report", and "Annual Financial Statements" | <ul style="list-style-type: none"> Annual General Shareholders' Meeting Institutional Investor Conference TWSE's Market Observation Post System (MOPS) and TCFHC official website |
| <p>Non-Finance</p> | <ul style="list-style-type: none"> Sustainable Development Report Annual Report | <ul style="list-style-type: none"> The establishment of "Investors' Zone" in the official website The establishment of "Sustainable Development Zone" and "Stakeholders' Zone" in the official website Participation in corporate governance assessment |
| <p>Others</p> | <ul style="list-style-type: none"> Other Information | <ul style="list-style-type: none"> The media publicity management mechanism, and the establishment of dedicated unit and persons to communicate with media and to issue press release Spokesperson System Employee Opinion Mailbox |

1.5 Legal Compliance, Anti-Money Laundering, and Combat of Terrorism Financing

Approach of Legal Compliance Management

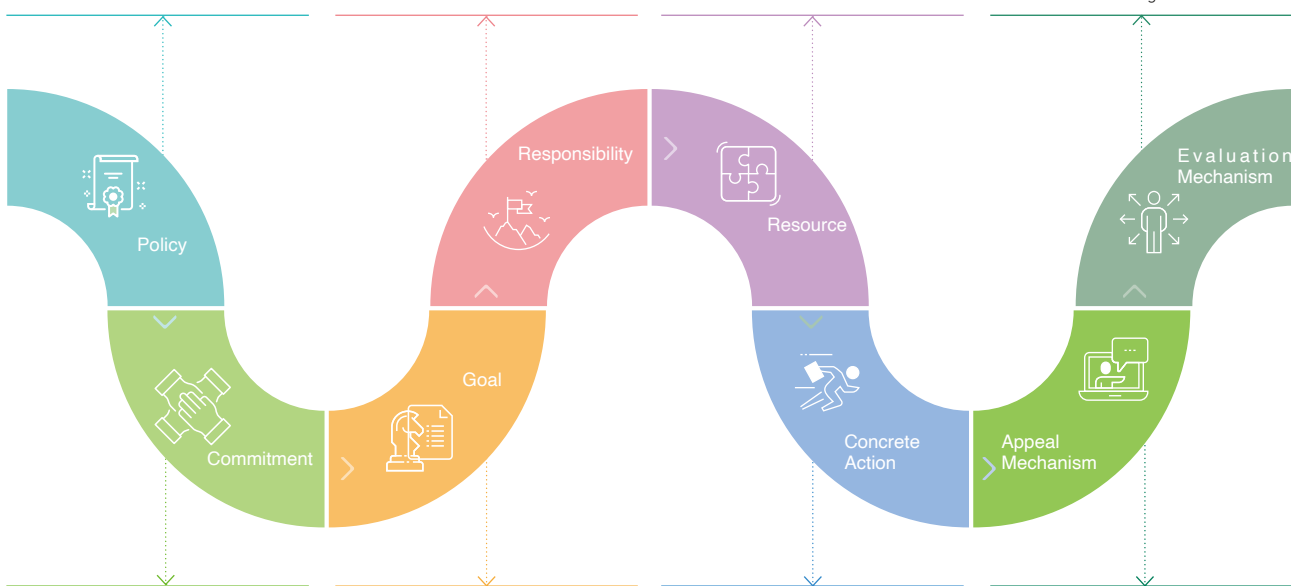
To formulate TCFHC "Implementation Rules of Legal Compliance System" based on "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" stipulated by Financial Supervisory Commission for regulating and supervising legal compliance activities in the TCFHC Group and further pushing ahead with key duties on anti-money laundering and the combat of terrorism financing.

To ensure all the business operations in the TCFHC Group are conducted by following legal compliance system, and hence to establish position of Chief Legal Compliance Officer to head the Group's legal compliance management by leading Legal Compliance Department in handling related affairs and supervising execution of legal compliance across the Group.

To establish "Legal Compliance Committee" directly overseen by the Chairman, which is responsible for reviewing legal compliance policy and related measures within the Group, supervising inspection on legal compliance, and coordinating and executing for legal compliance task including anti-money laundering and the combat of terrorism financing.

To request TCFHC and all of its subsidiaries to conduct self-assessments on implementation of legal compliance and to have assessment results report to the TCFHC Board of Directors and Audit Committee.

To request all the subsidiaries to report update on key performance in the implementation of legal compliance system in quarterly meetings of the Group's task force on legal compliance, anti-money laundering and the combat of terrorism financing.



To ensure that all the business operations and services provided in or by the TCFHC Group are all performed in compliance with relevant financial regulations for not just avoiding violation or wrongdoings that may jeopardize financial security, but also protecting customers' interests as financial institutions.

To establish clear and unequivocal regulations and mechanism on legal compliance so that relevant regulations can be implemented effectively in the TCFHC Group, which could further prevent unlawful undertakings from causing damage and anti-money laundering and the combat of terrorism financing.

To continue to refine internal organization and relevant system related to legal compliance in context of changing regulatory framework and need of business operations.

In 2020, to continue to follow the "legal compliance refinement scheme" accomplished in 2019 for increasing the effectiveness of legal compliance.

To report to relevant units in charge in TCFHC and its subsidiaries including the Boards of Directors, supervisors (independent directors), or Audit Committee, on matters related legal compliance and business organizational structure if there is any material legal violation or downward adjustment of rating occurring.

1.5.1 Operation of Legal Compliance

In response to changes in legal framework and market environment, TCFHC has established relevant organizational structure and regulatory framework to supervise conduct of itself in legal compliance. Meeting of TCFHC's "Legal Compliance Committee" is presided over by the chairman with the president, chief compliance officer and all the presidents of subsidiaries to be attending members collaboratively to be responsible to supervise all kinds of legal compliance undertakings in the Group. Moreover, in order to facilitate relevant parties and all of the subsidiaries keeping abreast of legal changes and punitive cases of counterparts in the same industries as well as review and amendment of the internal system in an appropriate time, TCFHC has assigned dedicated persons to compile and track changes in regulatory framework on a monthly basis.

Meanwhile, as with the inspection of legal compliance conducted by Financial Supervisory Commission and other surrounding supervisory government agencies, if there is any punishment being imposed, relevant units should be notified immediately and should adopt measures to make improvement in order to avoid repeated occurrence or augmented damages. There is also a "consistent and real time intercommunications" mechanism be set up, which demands each subsidiary to report to the TCFHC's Legal Compliance Department the full account of inspections on legal compliance during the entire course from inception of the inspection to completion of the draft if it happens to have financial competent authority to inspect. In 2020, TCFHC was not imposed significant fines or non-monetary punishments due to environment, law, or regulations. Yet the remaining punishments as received are listed as follows:

Punishments Imposed on TCFHC and Subsidiaries in 2020 and Corresponding Improvement

| Company | Violated Regulations | Reasons of Punishment | Follow-ups and Improvements | Penalty |
|---------------------------------------|---|---|---|--|
| Taiwan Cooperative Bank | Subparagraph 2 of Paragraph 1 under Article 30-1 of Financial Consumer Protection Act | Neither proper review was conducted on the case of not providing correct source of premium in the sales report, nor proper conduct on confirming suitability of insurance products with certain consumers. | <ul style="list-style-type: none"> Business units are requested to engage in premium source verification when processing insurance policy purchase. Automatic verification through system is adopted for increasing effectiveness. For content and source of premium required to be provided in the salesperson report, more relevant verification items are added for enhancing the audit. Also items that could have TCB operational performance score deducted are introduced into the report. | NT\$1.8 million |
| BNP Paribas Cardif TCB Life Insurance | Paragraph 5 under Article 171-1 and Paragraph 1 under Article 149 of Insurance Act | <ul style="list-style-type: none"> There was no mechanism being established yet for verifying if source of premium in sales person's report being duly provided in the case of customers purchasing new policy after obtaining policy loans ; and in another case that purchasing new policy and applying for policy loans were handled by the same sales person who didn't provide information on source of premium correctly. | <ul style="list-style-type: none"> The automatic verification mechanism on source of premium has been established, with refusal to underwrite new insurance policies and a single policy whose source of premiums are policy borrowings cases. | NT\$3 million and 4 directives of correction |
| | | <ul style="list-style-type: none"> When engaging in telemarketing and processing notification of underwriting rejection, proper evaluation on underwriting of insurance policy was not carried out by directly rejecting the case in which applicant's physical and mental disease was just part of possible conditions for rejection. Management on quality of new policy recruitment through channels of insurance broker and agent was not performed properly. | <ul style="list-style-type: none"> The telemarketing pitches have been revised, educational trainings for telemarketing personnel have been completed, and content of notifying rejection of insurance policy underwriting has been enhanced. Relevant regulations have been revised and material items in the contract including compulsory of compliance, handling of appeal cases, and management of sales agents have been brought into the scope of performance evaluation for insurance broker and insurance agent. | |
| BNP Paribas Cardif TCB Life Insurance | Paragraph 5 under Article 171-1 and Paragraph 1 under Article 149 of Insurance Act | <ul style="list-style-type: none"> Sales kits provided to bank channel neither specify influence on rights and interests of the insured if they chose to terminate insurance policy, nor provide information to insured about risks involved in single premium, a payment method with increasing adoption. | <ul style="list-style-type: none"> The incentive conditions and educational training materials (containing product types with controversial consumption) on mortgage insurance have been revised. | NT\$3 million and 4 directives of correction |
| | | <ul style="list-style-type: none"> There were cases in which collaborated bank didn't provide required insurance documents to the insurer before commencement of the insured period so that the insurer had no choice but to process for underwriting when policy period has commenced. | <ul style="list-style-type: none"> The processing of travel insurance has been revised with the commencement time of the insurance rejection being made earlier than the receiving date of the insurance application. | |
| | | <ul style="list-style-type: none"> For the unit-link insurance in connection with target maturity bond fund, there was no proper pre-sale review or post-sale management being properly deployed. | <ul style="list-style-type: none"> The pre-sale review of products and the post-sale management have both been strengthened. | |
| BNP Paribas Cardif TCB Life Insurance | Paragraph 5 under Article 171-1 and Paragraph 1 under Article 149 of Insurance Act | <ul style="list-style-type: none"> There was neither relevant management guidelines nor relevant operational records being regulated and kept for handling applications on firewall security, information security intelligence, and alert messaging, and the design of e-commerce system. | <ul style="list-style-type: none"> The management guidelines on firewall software have been completed, and the information security intelligence review process has also been completed with a proper paperwork procedure being set up which generates inspection and verification records in the worksheet form. In addition, the display problem of electronic commerce system has been rectified. | NT\$3 million and 4 directives of correction |

Note: Only cases which annual fines exceed 1 million are disclosed.

1.5.2 Anti-Money Laundering and Combat of Terrorism Financing

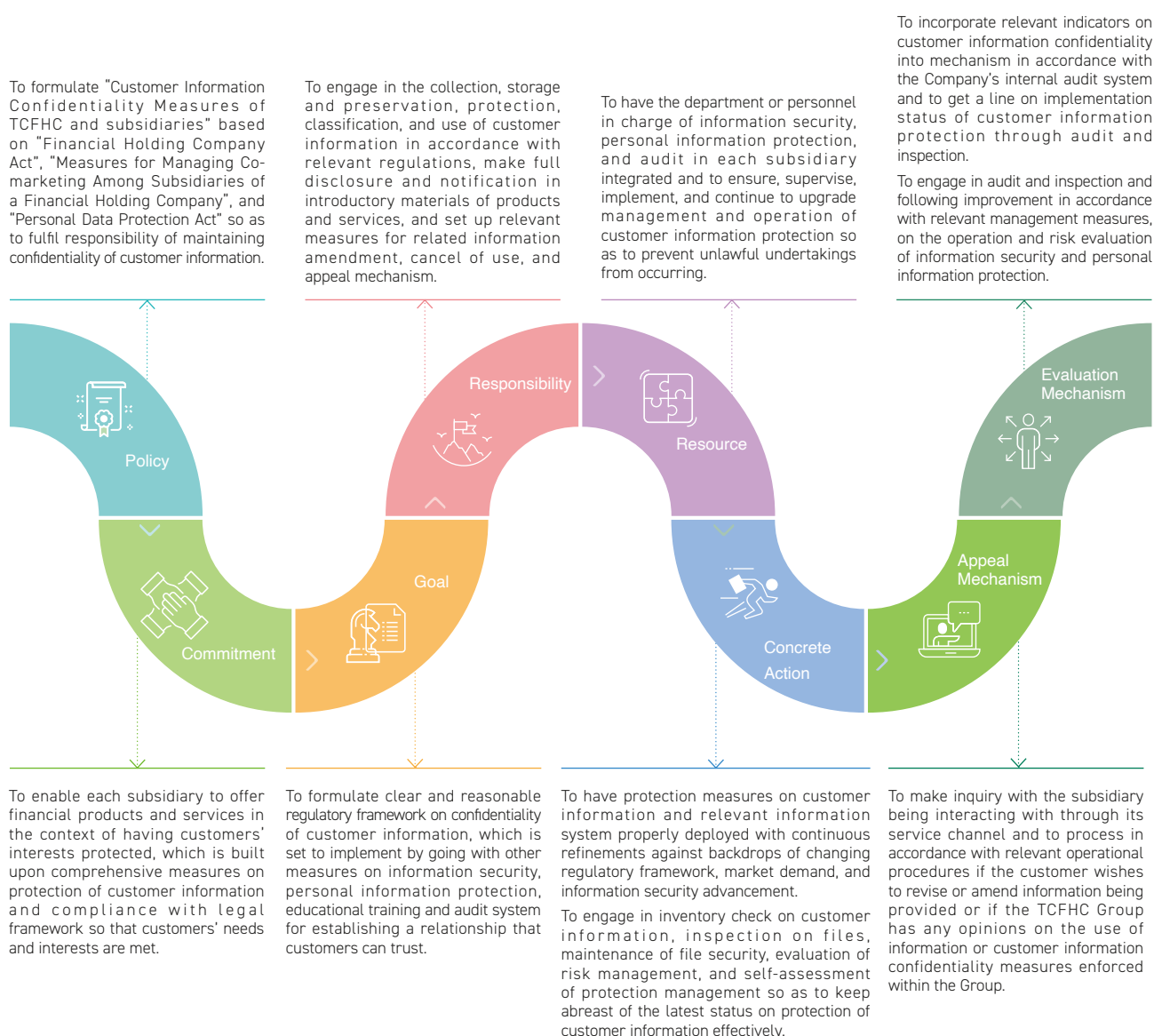
Anti-money laundering and combat of terrorism financing are key items of legal compliance for fending off unlawful undertakings and preventing the Company from the wrongdoings that may jeopardize operational security and impact on financial orders. In order to have anti-money laundering and combat of terrorism financing been properly implemented, TCFHC has formulated "comprehensive anti-money laundering and combat of terrorism financing scheme" which clearly specifies identification, evaluation, and management principles of money laundering and terrorism financing risks for all the subsidiaries to comply with. In the meantime, the "TCFHC task force on legal compliance, anti-money laundering, and combat of terrorism financing" has been set up with the Chief Compliance Officer

to assume the convener, responsible for supervising and coordinating for the execution of tasks on anti-money laundering and combat of terrorism financing undertaken by different subsidiaries. Update on the operation of the task force is submitted to the TCFHC Board of Directors on a quarterly basis. Each subsidiary also works to optimize each of their information system on anti-money laundering and combat of terrorism financing, with which careful monitoring is carried out through interlinks and analysis of different databases to ensure effectiveness of risk control and management on money laundering and terrorism financing.

The TCFHC Group has been encouraging employees to acquire certificate on "Certified Anti-Money Laundering Specialist (CAMS)" and other domestic certificates on specialist of anti-money laundering and combat of terrorism financing. As of the end of 2020, there had been a total of 4,000 employees in the Group obtaining relevant certificates, accounting for 43.14% of the total number of employees. In order to further increase awareness of regulatory framework on anti-money laundering and combat of terrorism financing, relevant educational trainings that TCFHC Group had organized in 2020, had received a total of 12,232 participants with a total training length of 27,081 hours. Additional education trainings on anti-money laundering and combat of terrorism financing for directors, independent directors, senior management, and employees are also held every year with the expectation to raise awareness of legal compliance and professional capability.

1.6 Information Security

Management Approach of Customer Information Protection



1.6.1 Information Security

The TCFHC Group has set up an information security governance platform to strengthen information security protection mechanism in accordance with relevant information security regulations, laws, and business requirements both at home and overseas. Aiming to raise awareness of information security risk, TCFHC has also formed information security management policy, launched "group-wide information security joint protection meeting", and promoted both domestic and international cyber security compliance operation and self-assessment mechanism. As with the implementation status on information security, TCFHC has installed information security management system by introducing firewall, anti-viruses, and intrusion detection system as well as enhancing website vulnerability scanning. In addition, in response to the promulgation of "financial information security enactment program" by Financial Supervisory Commission, TCFHC has set up a "TCFHC computer-based information security event response task force" to keep monitoring information security status across the Group, and make inter-subsidiary deployment for emergent backup and notification if any information incident occurs so as to expedite handling and recovery and thus reduce impact that damages have resulted in.

Identification, Prevention, Monitoring and Management of Risk

In 2020, both TCB and BNP TCB Life have again passed certificate of ISO 27001 - Information Security Management System issued by British Standard Institute (BSI) for that both 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 weakness in the financial industry. For weakness exposed to high risk, both have generated corresponding improvement plan and followed such plan to get improvement done. TCB regularly carries out internet weakness scanning, source code weakness scanning, and website infiltration test to figure out possible risks involved, and then track these risks by different levels as rated so as to renew or repair loophole in the system. The intrusion detection system is also deployed to monitor if there is any abnormal activity in addition to engaging in regular inspection on facility reinforcement and other types of information security inspections including detection of malicious software through computer-based information security evaluation. Information security diary event management system installed by TCB is able to perform associative analysis across different diary events with different information security facilities to monitor if there is any abnormal external connection so as to avoid execution of malicious software. It is also adopted to spot suspicious threat event, identify potential information security threat, and improve analysis and management on the progress of the event. TCB also outsources to external risk assessment service provider to carry out analysis on types, frequency, and source of potential attack trend, so as to realize uncontrolled weakness or make improvement on unintentional leaked information to reduce risk exposed to unknown threat.

As with information security risk resulted from emerging technology, TCB has made revision on relevant bylaws and established new business information security evaluation standard for business unit to adopt or to engage in risk evaluation when applying the emerging technology, so as to elevate service quality of financial institution and enhance protection for customers' interests. If there is a new type of business emerging which is associated with information security related regulatory framework, corresponding evaluation and check on the compliance with related information security regulations shall then be carried out in accordance with "evaluation list of compliance with information security regulations for new product, new service and new type of business" to ensure to meet regulatory requirements set by the competent authority.

Educational Training on Information Security

In order to increase awareness and capability on guarding information security of all employees across the TCFHC Group, TCFHC has continuously organized group-wide information security educational trainings every year, for which the employee training ratio reached 100% in 2020. In addition, both "social engineering electronic mail attack drill" and "distributed denial-of-service attack drill" are held to strengthen capacity in response to email and cyber-attack.

1.6.2 Protection of Personal Information

As financial businesses operated by TCFHC subsidiaries contain a large amount of personal information, TCFHC has formulated a few bylaws including "measures for maintaining the security of personal information filing" and "audit mechanism for personal information filing security" to better the planning, management measures, security audit and inspection, record filing, and continuous improvement mechanism on personal information protection. Meanwhile, each TCFHC subsidiary has also had personal information protection management policy or measures to meet operational needs and requirements on personal information protection and management.

In addition, in order to prompt protection and management on personal information effectively, TCFHC has set up a "personal information protection management task force" convened by the TCFHC Chief Compliance Officer who convenes the meeting of the task force at least once a year and is responsible for pushing for, coordinating for, and supervise personal information protection management related matters. Each TCFHC subsidiary also has its own organization for managing personal information protection, pushing for and conducting security check on personal information filing, engaging in risk evaluation of personal information filing, and conducting self-assessment on personal information protection management. In 2020, both annual inventory check and risk evaluation of personal information were accomplished, of which there was neither complaint on confirmed intrusion of customer privacy nor confirmed information leaking, stolen, or customer information missing that occurred to TCFHC.

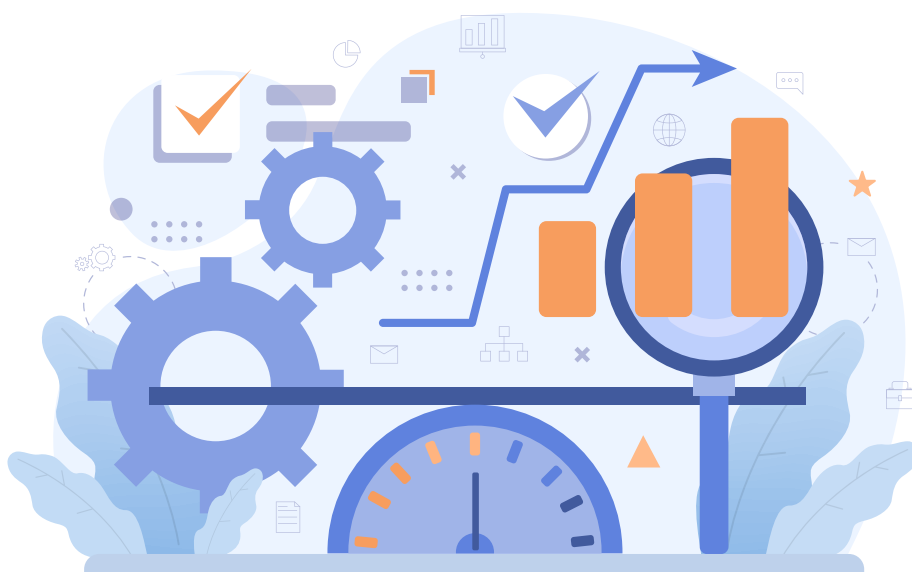
As for personal information protection management materializing, all of the TCFHC subsidiaries have conducted internal and external audit on implementation of personal information protection subject to businesses involved, so as to be well informed on status of personal information protection and hence seek further improvement. In 2020, both TCB and BNP TCB Life had passed the British Standard for Personal Information Management System (BS 10012: 2017, PIMS), whereas TCS had also passed the renewed certificate issued by Taiwan Personal Information Protection and Administration System (TPIPAS).

Educational Training on Personal Information Protection

With regard to educational training on personal information protection, the TCFHC Group has regularly hosted relevant promotional courses. For instance, TCB has launched "personal information protection system introduction class" while BNP TCB Life has rolled out "personal information protection course" in its digital learning platform for raising security and legal awareness on the use of personal information in daily operations so as to materialize protection for customers' information. In 2020, the ratio of employee receiving full course of training on personal information protection across the TCFHC Group was 100%.

Operation Procedure for Information Security Event

TCB has formulated "key notes for the management of personal information security incident handling and notification" to tackle personal information leaking incident. If it is a personal information leaking incident of general genre, the unit in charge shall be informed in the first place, which would then carry out investigation to find out cause and notify affected persons through adequate methods and further figure out corrective and preventive measures; whereas if it is a case associated with customer's personal information and is deemed a material incident, a crisis response task force would be formed to handle following responsive measures and to continue to communicate with persons involved. If necessary, a press release shall be issued.



2020 Sustainability Achievements

Taiwan Cooperative Holdings

Customer Care



2.1 Sustainable Finance

In addition to formulating "Guidelines for Processing Loans on Renewable Energy Generation Facility", "Guidelines for Processing Loans on Solar Photovoltaic Power Generation Facility", and "Guidelines for Processing Loans on Biomass Energy Generation Facility", TCFHC has been complying with Principles for Responsible Investment (PRI), Principles for Responsible Bank (PRB), and Principles for Sustainable Insurance (PSI), and has signed on Equator Principles (EPs).

TCFHC has managed to leverage its financial influence to offer a variety of innovative and inclusive financial products and to provide funds inducing industrial transitions, which is a realization of responsible investment and financing.

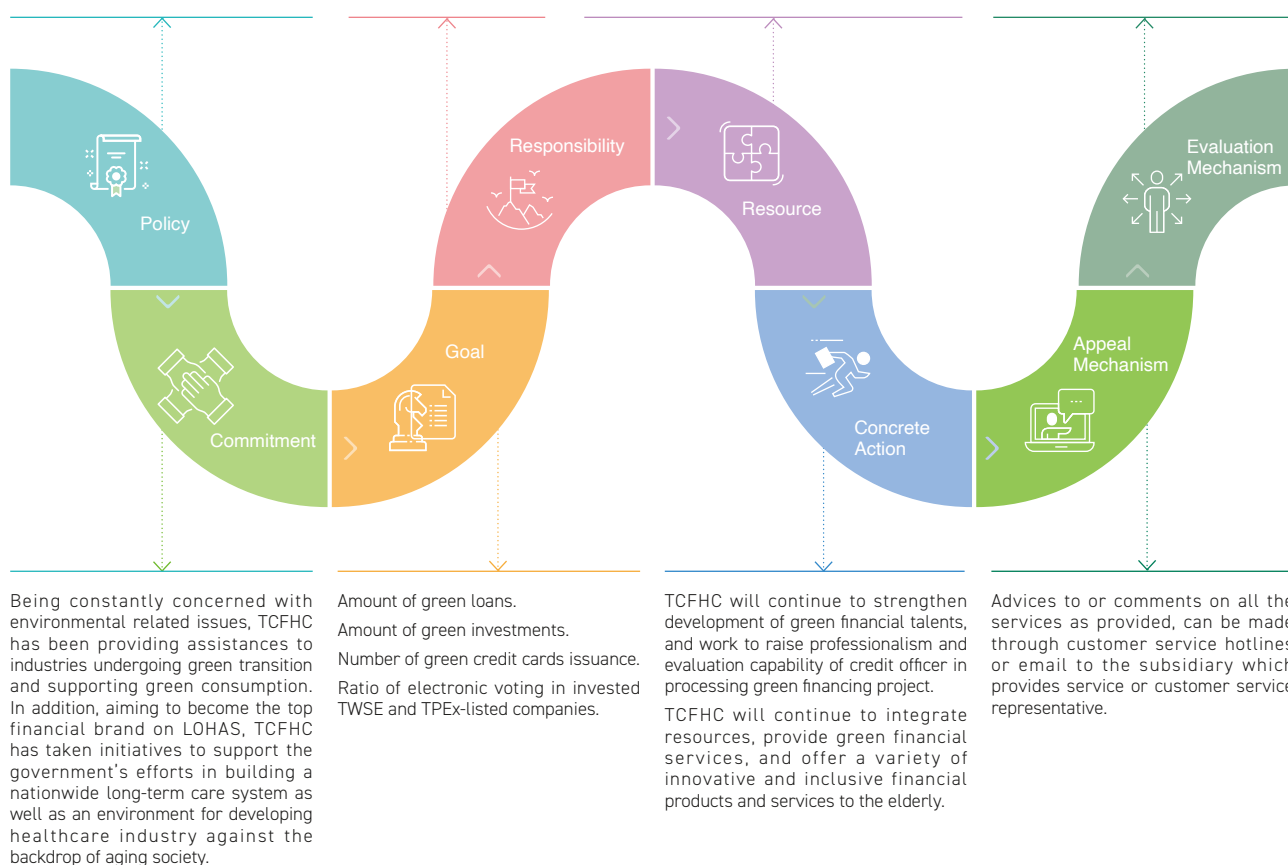
The implementation of Principles of Responsible Investment (PRI) by TCB, TCS, BNP TCB Life, and TCSIT.

Engaging in green financing underwriting to support the government's efforts in pushing for 5+2 Industrial Innovation Program.

Engaging in green financing underwriting as a support for the growing green awareness among consumers through leveraging its core competence as a financial institution.

For prompting development of community, TCFHC has set up "Urban Renewal and Time-Worn Building Reconstruction Task Force" to assist the government in pushing for the government-led urban renewal projects.

The implementation of sustainable finance is adjustable subject to operations of different businesses as well as customers' reactions.





2.1.1 Responsible Investment and Financing

Faced with the risk of global climate change, the TCFHC Group has endeavored to pursue sustainable finance and strengthen ESG strategies and the bondage between ESG and operational policies. For achieving the aim, in addition to abiding by Principles of Responsible Investment (PRI) and Equator Principles (EPs) and having factored ESG into investment and financing decisions, the TCFHC Group has voluntarily signed to support Task Force on Climate-Related Financial Disclosures with the expectation of enhancing management on finance, investment, operations and financial products and services through risk management structure, so as to wield the sustainable influence of financial industry.

In order to urge invested companies to weight more of their concerns on sustainability, the TCFHC Group has exercised Stewardship Principles actively so as to raise the Company's long term values. The TCFHC Group has also been watching governance status of those invested companies through attending their shareholder's meetings, exercising voting rights, and interacting or communicating with invested companies' directors or senior management to wield influence as an institutional investor. Four of TCFHC's subsidiaries including TCB, TCS, BNP TCB Life, and TCSIT have already signed on "Declaration of Compliance with the Stewardship Principles by the Institutional Investors", committing to publicize updates on fulfilling Stewardship Principles. In 2020, the ratios of electronic voting in the invested companies have all reached more than 90%.

Implementation of Responsible Investments by TCFHC Subsidiaries in 2020

| | |
|---|---|
| <p>Taiwan Cooperative Bank</p> | <p>Companies that have been selected as 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, are factors that TCB takes into account when making domestic securities investment decision. As of the end of 2020, nearly 80% of TCB's external securities investments are made on aforementioned companies.</p> <p>TCB continues to monitor and participate in the governance of invested companies by exercising votes in shareholders' meetings of 104 invested companies, 97% of which adopted electronic voting. TCB also attended shareholders' meetings of another 2 companies and engaged in communicating and interacting with senior managements of 13 invested companies.</p> |
| <p>Taiwan Cooperative Securities</p> | <p>Environmental protection, social responsibility, and corporate governance are factored into the TCS's investment decision on bond. TCS also constantly monitors development of companies being underwritten, provides adequate advice on a timely manner, so as to raise long-term ESG values of these companies.</p> <p>The electronic voting rate in shareholders' meetings of 55 TWSE or TPEx-listed investee companies was 100%.</p>  |
| <p>BNP Paribas Cardif TCB Life Insurance</p> | <p>BNP TCB Life has followed investment management procedures in identifying industries to invest in by seeking the balance between stable debt repayment ability and positive profitability. In addition, the targeted companies should fulfill environmental protection, business integrity, and social responsibilities (e.g. must not invest in tobacco industries). While identifying companies for investment, BNP TCB Life also reviews if these companies have conducted measures for anti-money laundering and combat of terrorism financing. If any of the invested company violates regulations on anti-money laundering or combat of terrorism financing, the investment committee of BNP TCB Life will determine if the company will reduce, dispose of, or continue to hold the investment position.</p> <p>The attendance rate to shareholders' meetings of TWSE and TPEx-listed companies was 100%.</p> |
| <p>Taiwan Cooperative Securities Investment Trust</p> | <p>As of the end of 2020, the fund size of TCB 6-year ESG Emergent Market Bond Fund reached NT\$6.052 billion; whereas the fund size of TCB 6-year ESG Senior Emergent Market Bond Fund amounted to NT\$1.646 billion.</p> <p>As with TWSE and TPEx-listed companies that follows rules on handling stock affairs, the rate of TCSIT to participate in voting in these companies' shareholders' meeting was 100%.</p>  |

Regarding responsible conducts on financing and lending, TCB has voluntarily adhered to "Equator Principles (EPs)" that are widely adopted by international financial institutions by taking account of such factors as environmental protection, business integrity and social responsibility while processing credit facility and loans. If any of the credit facility holders breaches Equator Principles without any legitimate reasons whatsoever, TCB will not just suspend underwriting for any of these customers' financing projects, but also either reduce the credit facility, shorten the maturity period, or request to repay the debt in part or in full, as being detailed in the lending agreements which the TCB adopts to strengthen the supervision on debtor's responsibilities. TCB has promised to accomplish the signature on Equator Principles by the end of June in 2022, and will continue to honor Principles of Responsible Banking and the Principles of Sustainable Insurance as a way to embody the TCFHC Group's pursuit of sustainable financial development.

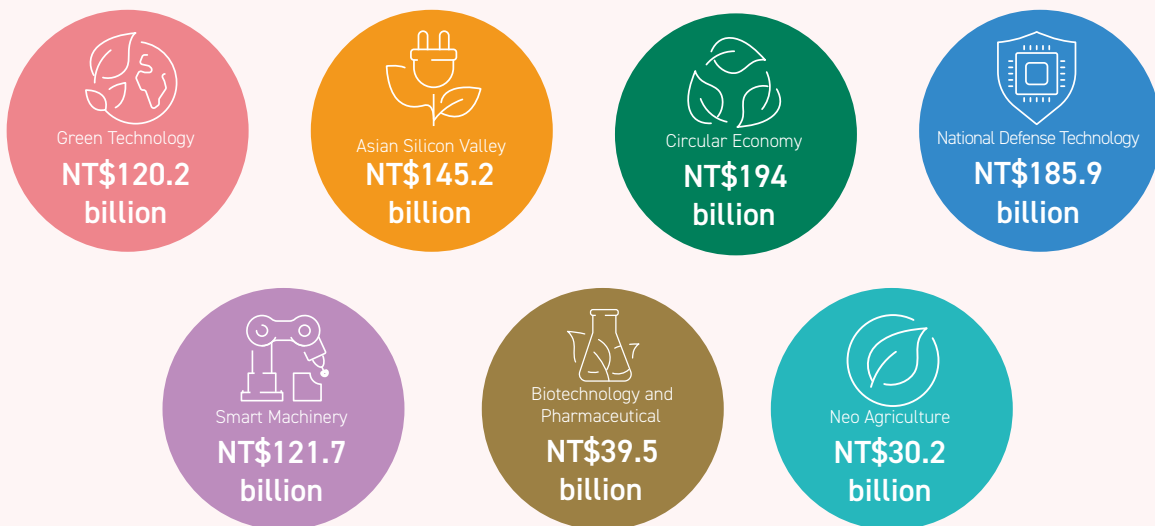
2.1.2 Green Finance

To adhere to the international trend of pursuing sustainable finance as well as support the government's policies on renewable energy, environment protection, and emission reduction, TCFHC continues to be closely concerned with environmental issues, and has endeavored to promote green economy through business operations that all subsidiaries have engaged in by assisting in the transition of green related industries and supporting green consumption.

In order to support transitions to green related industries, TCB has formulated "Guidelines for Processing the Loans to Renewable Energy Generator", "Guidelines for Processing Loans on Solar Photovoltaic Power Generators", and Guidelines for Processing Loans on Biomass Energy Generation Facility" to help financing the purchase or installation of machinery equipment, capital expenditure, and working capital. The innovative industry has also been listed as one of the key industries for project financing so as to expand the scope of green financial business. In addition, TCFHC will continue to reinforce development of green finance talents to raise professionalism and evaluation capability of credit officers on green financing project. To push for green finance, TCFHC has taken concrete actions as the follows:

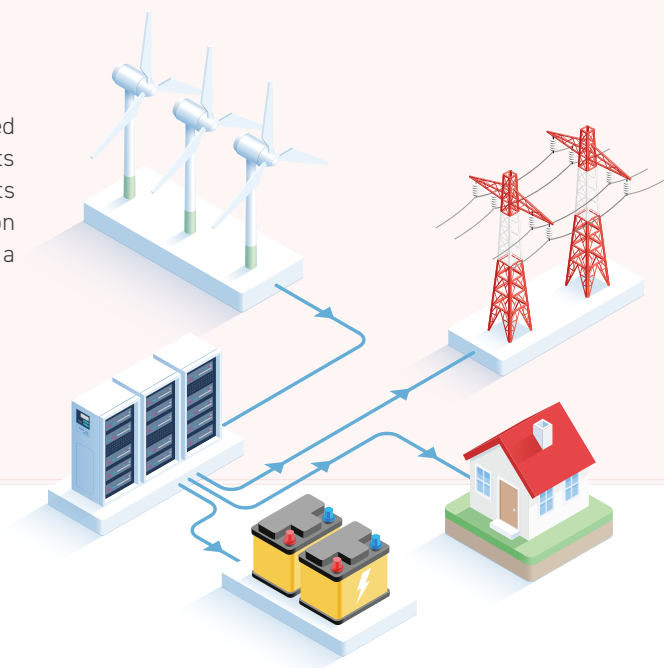
Green Financing

5+2 Industrial Innovation Program: As of the end of December 2020, the balance of loan provided to the program as a whole was NT\$473.5 billion, of which the balance of loan to each individual industry is as the follows:



Support of Offshore Wind Farm:

As of the end of December 2020, TCB has participated in 3 different offshore wind farm financing projects with a total loan of NT\$606 million. The 3 projects include an individual loan to Taiwan Generation Corporation, a syndicated loan to Ørsted, and a syndicated loan to Yunnen Wind Power Co., Ltd..



Green Life



Preferential rate loan for the project of large diesel vehicle replacement: This preferential loan project is rolled out for facilitating replacement of old diesel vehicles so as to improve air quality. As of the end of December 2020, TCB has in total underwritten 13 cases under the project with a total loan of **NT\$62 million**.



Preferential rate loan for franchisees of Gogoro project: Supporting the government's environmental protection policy that aims to build a low carbon sustainable homeland, TCB has rolled out this preferential rate loan project to help franchisees of Gogoro to acquire working capital as needed.



Project loan for green consumers: In order to assist consumers in purchasing products made by green industries, TCB has rolled out loans for green consumption and encouraged branches to underwrite for mortgage with which green materials are adopted. As of the end of December 2020, the total mortgage of the kind underwritten amounted **NT\$620 million**.

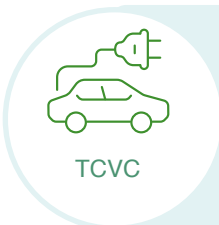


TCB AI EV and V2X Innovative Securities Investment Trust Fund: TCSIT has rolled out securities linked fund for investing in innovative industries related to AI EV and vehicle-to-everything (V2X) including such industries as electric vehicle, autonomous vehicle, V2X, and share economy. As of the end of 2020, the total fund size as raised was **NT\$523 million**.



Green credit card: TCB rolled out the first credit card tailored for LOHAS group in the market in 2020. The issuance of "TCB LOHAS credit card" has fulfilled the missing piece of a comprehensive elderly care services. The credit card is made of PETG material for reducing the impact on the environment, an effort of embodying the ESG spirit. As of the end of December 2020, there were in total **38,158** TCB LOHAS credit cards being issued.

Green Investment



TCVC: The amount of investment made in green energy related industries included **NT\$34.2 million** in solar photovoltaic power, **NT\$52.096 million** in electric vehicle, and **NT\$36 million** in other green energy industries.



The investment made in green energy industry has totaled at **NT\$63.5 billion**. In order to finance loans to green investment projects, a green finance bond was issued with a total face value of **NT\$1 billion**.

2.1.3 Social Finance

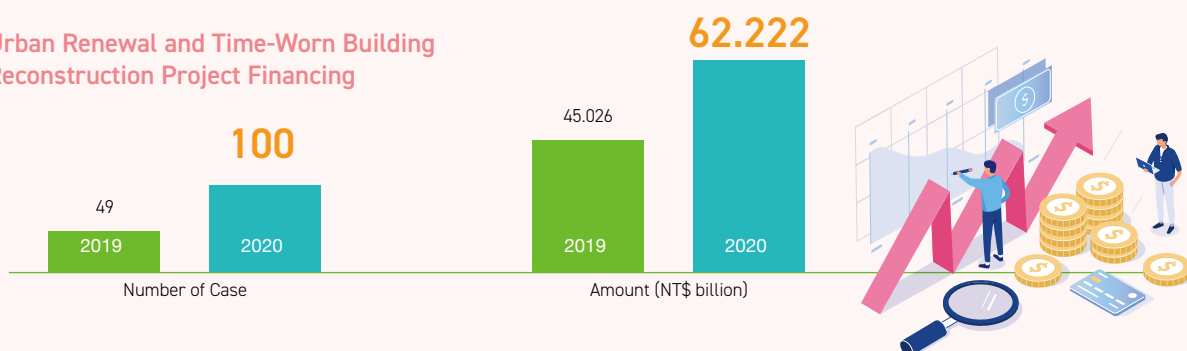
The TCFHC Group has tapped into its core competence to ensure implementation of responsible financing by guiding the economy and industries towards the direction of carrying responsibilities for the environment and society while providing funds. The TCFHC Group also provides a variety of inclusive financial products and services to meet the changing demand as the society evolves, so as to ensure that more different groups can be treated fairly and securely, and further to reduce impact on the environment, resources, and human rights for achieving the aim of sustainable development.

Supporting Urban Renewal

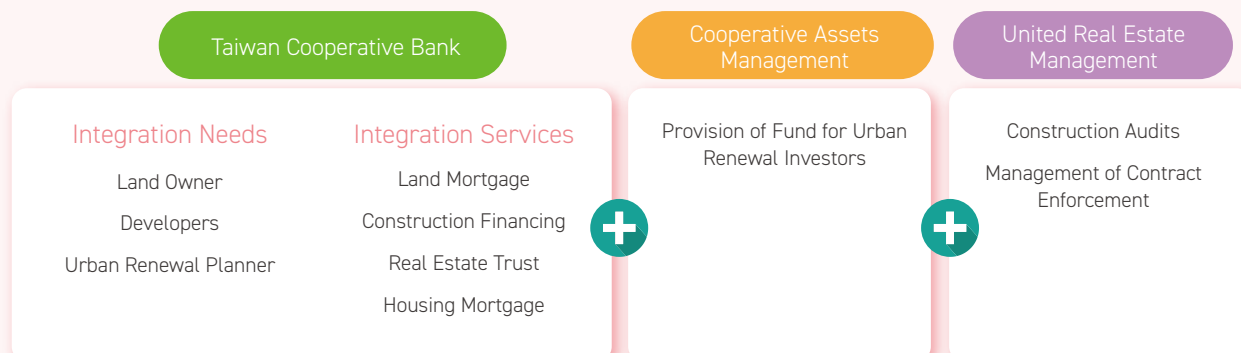
In order to support community development and make living environment safer and more secured, the TCFHC Group has set up "Urban Renewal and Time-worn Buildings Reconstruction Task Force" to provide clients with an one-stop innovative financial services which consists of real estate trust, construction fund trust, and financing plan, along with an integrated services provided through partnering with United Real Estate Management Co. Ltd. that include assisting urban project integrators in acquiring working capital, construction audit, and management of contract enforcement. As of the end of 2020, the total number of urban renewal and time-worn building reconstruction financing projects being undertaken was 100 with a total amount of NT\$62.222 billion.

Cooperative Asset Management (CAM), one of TCFHC's subsidiaries, has opened a new business of "advance payment for urban renewal and time-worn building reconstruction project", aiming to speed up the progress of urban renewal and time-worn projects, by which residential security of people or minority groups can be improved and urban development can be further stimulated, making a friendly living environment realized. In addition, in support of the government's efforts in pushing ahead of the policy on urban renewal and time-worn building reconstruction, CAM took the responsibility of serving as the leading unit of "Urban Renewal Promotion Joint Task Force" among government funded companies to assist the government in pushing for government-led urban renewal projects so as to generate more public interests.

Urban Renewal and Time-Worn Building Reconstruction Project Financing



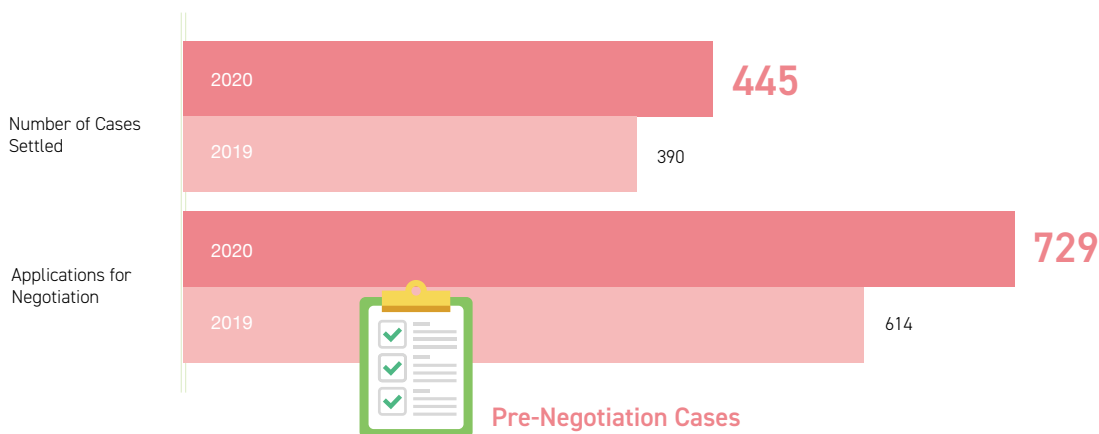
One-Stop Services by Urban Renewal and Time-Worn Building Reconstruction Task Force



Debt Negotiation

In order to reduce social and family problems and help people to regain confidence and normal living pace they used to have, the TCFHC Group has offered different programs and measures to help consumers clear debt including tailoring debt repayment plan based on customers' actual repayment capabilities. If debtors are unable to continue making the repayment due to reduction in income or unemployment in the course of debt negotiation or enforcing the agreement reached in pre-negotiation, the debtors would be provided with a re-negotiated debt repayment scheme, or the debtors who failed to reach pre-negotiation agreement could request revival, clearance, or pre-mediation to the court, measures that could help mitigate the economic burden of debtors and repay the debts. As of the end of 2020, TCB has received a total of 16,038 applications for pre-negotiations, of which 9,559 cases have been settled with a 75% of agreement honoring rate. For the 2020 fiscal year, there were in total 272 cases that CAM had reached clearance agreements and settlements.

As for those who are with low income, seriously ill or injured, physically or mentally impaired, victims of serious natural disaster, or other economically disadvantaged who have been involuntarily unemployed for at least 3 months, and have overdue uncollateralized debts on consumer banking unpaid for more than 3 months, TCB has also offered the "consumer banking uncollateralized debt extension scheme for economically disadvantaged debtor who undergoes difficulty in debt repayment" to help people repaying the debt under secured lives.



Issuance of Charity Credit Card

Being active in offering innovative products to help solving environmental and social problems, the TCFHC Group has collaborated with social welfare and religious groups on a long-term basis through issuing co-branded charity credit card to raise charity funds while consuming. As of the end of 2020, donations to Lugang Mazu Temple, Taiwan Cardiac Children's Foundation, Huei Chung Medical Charity Foundation, and Child Welfare League Foundation, R.O.C. altogether had reached NT\$24.89 million, a substantive contribution to operations of these charity organizations, which in turn would be able to provide more cares and resources to those who are in need.

Charity Credit Cards Issued By TCB



Care Card



Huei Chung Foundation
Affinity Card



Cardiac Children Foundation
Affinity Card



Lugang Mazu Temple
Affinity Card

2.1.4 No.1 Financial Brand for LOHAS Segment

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 TCFHC 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 number 1 brand in LOHAS financial market so as to leverage its influence as a member of financial industry.

Building Healthy Co-Sharing Residence through Integrated Trust Services

In order to take care of the elderly at all aspects as well as stimulate the development of long-term care industry, TCB has rolled out a product that weighs the balance between business development and charity. In 2017, TCB was the first bank to provide an integrated service through adopting trust mechanism to caregiving institutes and elderly care services. The integrated financial service into which has incorporated lease right trust, real estate trust, construction fund trust, advance payment trust, and elderly trust, is set to assist small-and-medium caregiving business operators in developing, constructing, and operating caregiving facilities, as well as ensure property safety and life security of the elderly. This innovative service has been recognized by Taiwan Academy of Banking and Finance which granted TCB with "the Best Trust Financing Award" in the 9th "Taiwan Outstanding Financial Business Elite Award".

As of the end of 2020, TCB had in total invested NT\$717 million in long-term medical care industry along with newly added 112 credit facility accounts which were either from biomedicine or long-term care industry.

| Needs from Elderly | Products Offering | Description |
|---|--|---|
| Risk Management | Insurance | BNP TCB Life has rolled out an array of insurance products tailored for needs of elderly to provide more choices for customers. In 2020, BNP TCB Life has signed a total of 33,889 valid contracts with customers on different elderly insurance policies including investment-linked annuity, interest sensitive annuity, long-term care insurance, and the care 99 project, with a total premium exceeding NT\$5.26 billion. |
| Property Planning | "Loads of Well-Being" Reverse Mortgage | The reverse mortgage program that TCB has rolled allows the elderly to use their own properties as collaterals to receive the mortgage on a monthly basis for as long as they live, which enables the elderly to enjoy a more secured life quality. As of the end of 2020, TCB had in total processed 1,924 "Loads of Well-Being" reverse mortgage cases with a total approved amount of NT\$11.401 billion. |
| Assets Security & Property Planning | Trust Business for the Elderly and the Mentally or Physically Impaired | TCB offers comprehensive assets planning services for the elderly including trust contract with the nature of arbitration, family trust business, integrated services that utilize trust mechanism, and trust products tailored for different financial planning and nature of beneficiaries. In 2020, a total of 2,821 beneficiaries were newly added to property trust services for the elderly and the mentally or physically impaired with a total property trust principle of NT\$4.056 billion. |
| Life of Health and Sustainability (LOHAS) | LOHAS Credit Card | TCB has rolled out a credit card tailored for LOHAS segment, which comes with a variety of exclusive privileges to enable the elderly to enjoy more riveting lifestyle. As of the end of 2020, TCB had issued a total of 38,158 LOHAS credit cards. |

Financial Trust Services Enable LOHAS

Grandma Yang who is 80ish, used to live on her own on the fourth floor of an old apartment condominium in the Northern Taiwan, and going to the traditional market or chitchatting with old neighbors is the source of pleasure in her daily life. In order to give Grandma Yang a better caring environment, her daughters proposed her to move to a co-living shared apartment, but it was seriously opposed by Grandma Yang for that she felt being abandoned by her own children. Nevertheless, with strenuous efforts by her daughters and the team running co-living care services, Grandma Yang was convinced that it could have both qualities of life and healthcare improved, and came to realize why her daughters had been worried about. Finally, Grandma Yang agreed to move to the co-living apartment.

TCB then disburse the rent to the co-living service operator directly from the property trust account of Grandma Yang's based on the trust contract Grandma Yang has signed with TCB, to make sure that both the rent and deposit are paid to right places.

Grandma Yang has gradually got used to the new place and has started to enjoy the whole new life in the co-living apartment. The problems that Grandma Yang's daughters were once worried are well taken cared through services of the co-living management team, and the new location enables one of her daughters who lives in the central Taiwan to see Grandma Yang more frequently than ever.

Auntie A-Tzi Striving to Stand Up Again

In a summer afternoon we went visiting Auntie A-Tzi in a long-term care institution. Despite of the bright and hot weather, we felt a bit grey and uneased when thinking of the life and pain Auntie A-Tzi has been suffering. Auntie A-Tzi has been suffering from amblyopia since her childhood and is only able to see blurring shadows limitedly. With her husband being an innate visually impaired, their economic lives have been quite challenging. This time, Auntie A-Tzi was transferred to a long-term care institution for rehabilitation of her broken legs due to falling over accidentally. Given the inconvenience and hardship brought to life due to innate disability, we believed that Auntie A-Tzi must have felt bitter and sorrowed all the time.

As soon as Auntie A-Tzi saw us walking into the ward of the institution, she rose up and grabbed a comb to comb her hair and talked to us with a beautiful smile. "Sorry, my hair is quite messy! But thank you so much for coming to see me especially. I also want to thank for the recommendation from Accton Cultural & Educational Foundation and the help to our family by Ho Gao Emergent Relief Fund," said Auntie A-Tzi who carried on to tell us her own story.

Despite of suffering from serious amblyopia, Auntie A-Tzi has striven to fight for a life she wants with endurable tenacity. Not just having a family of her own, her daughter Siao-Huei is sweet and thoughtful. "After the injury, I have been working very hard on rehabilitations, because I neither want to rely on wheelchairs nor become the trouble of someone else," stressed Auntie A-Tzi, who has impressed all of us with her optimism and endurance while struggling through difficulties in life.

On the way back after the interview, the weather was still humid and oppressive, but we felt being inspired and stimulated by Auntie A-Tzi's spirits. There is no such hurdle that we can't get through if we determine to.

2.2 Digital Finance

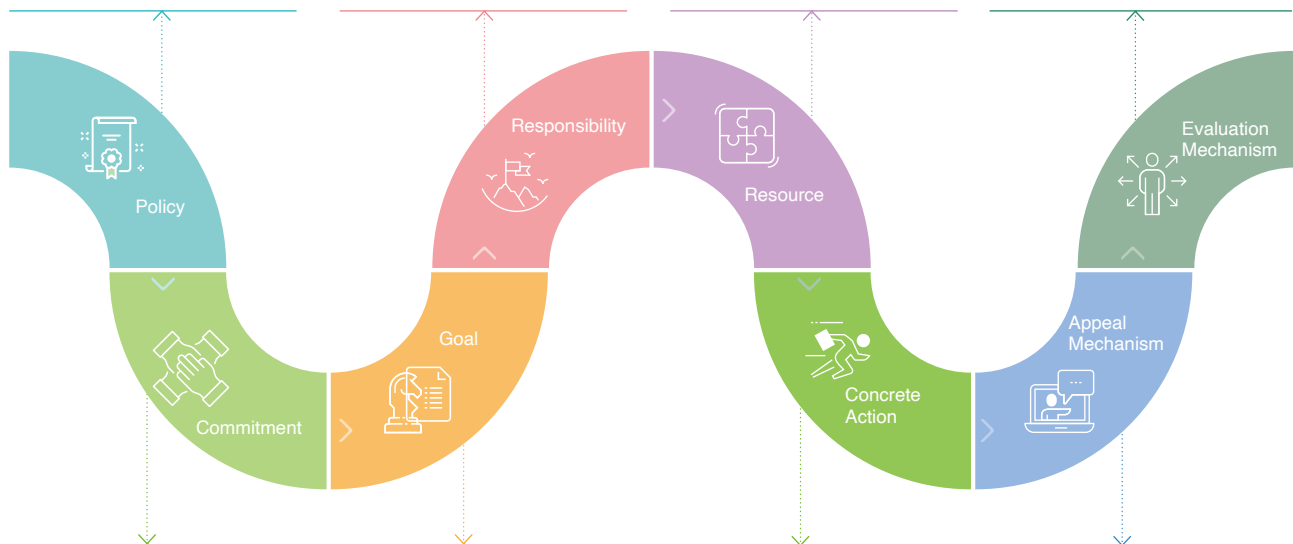
Management Approach of Digital Finance

Supporting the government's efforts of pushing for "Financial Technology Developmental Path" policy by utilizing innovative technology to create virtual and physical integrated financial channel to provide safer, more convenient, and more diverse modernized financial services.

Targeting on promoting and generalizing digital finance along with digitalization of operations so as to build accessible and diverse digital service products which will help raising operational efficiency and satisfaction of customers.

Continuing to look into refining all kinds of digital services to meet changes of the market and customers' needs, to encourage innovation and creativity among staff within the Group, and to strengthen collaborations with digital technology providers.

Setting the target on number of customer and amount of usage in accordance with promotion efforts on different kinds of financial services such as the number of mobile banking account opening or the number of credit card or ATM card bundled mobile payment, which are then listed as performance evaluation items, so as to get a line on the usage information for further improvement.



Riding on the developmental trend of digital technology plus commercial innovation to create more consumer friendly financial products so as to raise service efficiency, accessibility, utility, and quality, for offering a variety of consumer-centric financial services.

Continuing to push ahead with digital transition, emphasizing on user design and customer experience, and utilizing technology to build commercial innovation to make customers the center of services step-by-step, so as to maximize financial service benefits for digital application.

Continuing to optimize and develop digital services and products in response to evolving needs on products features and customers usage, such as features on mobile or online banking services, or integration of different social medias.

Utilizing such information technology as artificial intelligence, robot, and big data to upgrade smart digital financial service, revitalizing customers' experiences.

Offering customer service hotline and email to take advices and suggestions on the operational manual of any digital services and features as provided, which would then be directed to the subsidiary that offers the service or responded by customer service representative.

2.2.1 Innovative Digital Finance

The TCFHC Group has been actively promoting innovative digital finance in response to the development of financial technology and the online banking trend. The efforts include optimizing customer experience through data driven decision making model, which utilizes big data analysis, robotic process automation (RPA), customer feedback information along with artificial intelligence technology linked automated procedures to create comprehensive digital financial services. For example, the biometric-identification features newly added to the "enterprise mobile and online banking system" has made financial products and services more approachable in the real life.

In order to provide customers with speedy and convenient financial services that keep the pace with the development of financial technology, TCB continues to engage in the transition to digital branch by setting the target of adding 50 digital branches a year as well as accomplishing the digital transition of 270 physical branches across Taiwan by the end of 2027. In addition, by taking account of regional factors and customers of different segments, TCB is working to develop both diverse digital products and services and customized products to cater for actual needs of business operating units, so as to meet preferences of different branches. The updates on TCFHC Group's efforts in digital service transition are as the follows:

Taiwan Cooperative Bank

- The usage rate of electronic channel reached 92.97%.
- A total of 10,350 applications of mortgage and credit loans were made online.
- The mobile insurance service system was completed and launched in August 2020, which had taken 1,011 cases of insurance underwritten cases by the end of 2020, accounting for 16.73% of total number of new policy contracts, or 8.82% of total premium.
- The first phase of open banking has gone live that opens product information for inquiry through collaboration with the third party. The features as offered included inquiry on exchange rates and interest rates of NT dollar and foreign currencies.
- The total number of digital foreign currency deposit account has reached 51,639, which had engaged in 582,959 units of foreign currency-denominated transactions, an amount that was 22.06% growth from that of 2019. The total value of transactions was US\$7,949,453,000.

Taiwan Cooperative Securities

- The ratio of electronic ordering reached 84.15%.
- The installation of features on batch-by-batch trading in connection with the new TWSE system has been completed. Also, in order to go with the odd lot trading system newly implemented by TWSE, all the trading systems have been revised and gone live.
- Features of online bidding that were set to add to online system and mobile trading system have been completed.
- An auxiliary service of "fast electronic certification" for customers to download certificates online has been newly added.

BNP Paribas Cardif TCB Life Insurance

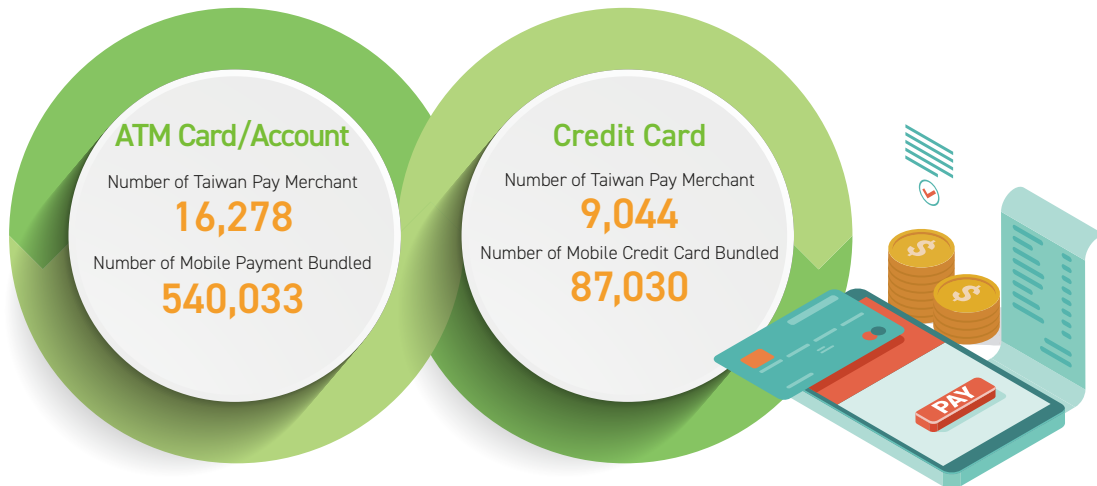
- The number of online insurance member totaled 26,148.
- The number of online insurance underwritten reached 1,636.
- The number of the type of electronic receipt that has been developed was 19.
- The conversion ratio of online investment target was 58%.



2.2.2 Mobile, Online Banking and Mobile Payment

In support of the Executive Yuan's policy of making mobile payment universal, TCB has worked to strengthen features and interfaces of mobile and online banking to facilitate customers accomplish all the dealings in banking through mobile device or platform. A new feature of "Push Service" was introduced in 2020 which included alarm on set exchange rate, debit notification to foreign currency depositor, maturity notification of foreign currency denominated time deposit, and notification on fund's stop-loss point and take-profit point. In addition, a "mobile number enabled payment transfer service" was introduced, with which transfer payment can be made swiftly by simply entering the recipient's mobile number.

In addition, the "enterprise mobile and online banking system" which is developed exclusively for corporate accounts, enables financial EOI customers that adopt electronic information exchange system to use the NT dollar or foreign currency based release approval mechanism on their mobile devices by providing fingerprint, facial identification, and graphical password for certification of identification to log in for transactions. Furthermore, on mobile payment, TCB continues to promote consumption made through "TCB E Pay" which bundles bank account, ATM card, and credit card. Moreover, new features of "NFC Sensor/ QR Code Withdrawal" have been added into the ATM card cloud payment. In 2020, the total number of mobile banking account reached 1.17 million.



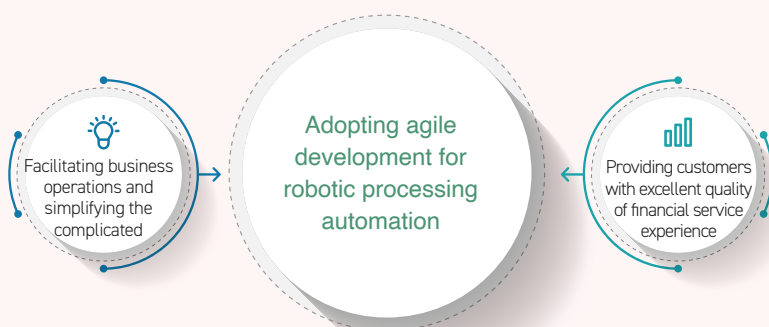
In order to strengthen the adhesiveness with customers, the TCFHC Group has rolled out the "Golden Coin", a bonus point collection platform that enables customers to gain certain number of points if transacting with TCB, TCS, or BNP TCB Life. These points can be used in exchange of gift coupons for drinks, gourmet, entertainment offered by an array of well-known chained stores. The point can also be used to waive such service fee as ATM withdrawal fee or to pay for credit card bill.

2.2.3 TCB CoLAB and Innovative Conduct

TCB established the CoLAB in November 2019. It is a platform set not just to encourage different tiers and departments of staff to brainstorm for business innovation with digital finance, but also to engage in interdepartmental exchanges and interactions and to discuss the possibility of commercialization in the future through demonstration and proof for such services as smart digital finance and smart chatbot (providing product inquiry services at official website). In 2019 an official LINE account – "i-Secretary" was launched, which utilizes such technologies as in-depth learning algorithm and natural language processing to perform multi-turn dialogues and real-time interaction. As of the end of 2020, there had been more than 2.5 million people joining the friend circle of "i-Secretary".

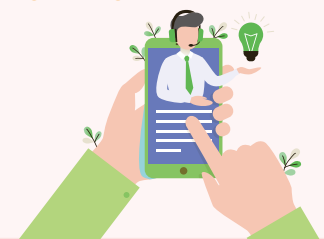


On the robotic processing automation (RPA), agile development was adopted as the approach with the emphasis on reaching goals of "facilitating business operation and simplifying the complicated", and "providing customers excellent quality of financial service experiences" so as to promote the acceleration and transformation of operating procedures, enable employees to focus on decision-making tasks, and improve the quality and performance of operating strategies. As with the utilization of big data, in addition to having installed a 360 degree all around customer data market which could be used to analyze customer profiles for identifying targeted segment, TCB has made use of digital tracking for information collection and integration to discover potential demand and consumption preference of digital customers to attain the aim of enabling personalized experiences through real-time interaction and customized products.



i-Secretary

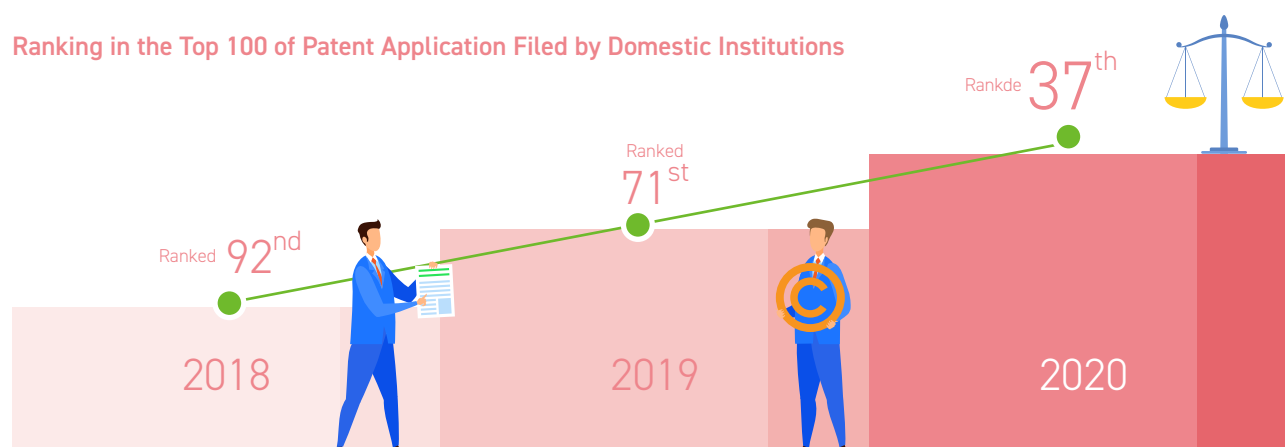
As of the end of December 2020, the number of "i-Secretary" friend circle had exceeded **2.5 million**



2.2.4 Patent R & D and Management

The TCFHC Group has been actively promoting financial innovation by reinforcing management on intellectual property through corporate governance. TCB, for example, has successfully obtained a variety of invention patents, which are not just pieces of certificates issued by Intellectual Property Office, Ministry of Economic Affairs, but have already been actually utilized in many aspects of banking operations including credit facility and loan release, debt management, foreign exchange, business and marketing, anti-money laundering, and electronic finance that have proved to raise operational efficiency and reduce operational risks. As the first government affiliated bank that receives the Class A Certificate of Taiwan Intellectual Property Management

Ranking in the Top 100 of Patent Application Filed by Domestic Institutions



System (TIPS) Certification, TCB has demonstrated its active manner and efforts in tapping into financial technology and implementation of intellectual property management.

On patents acquired pertaining to financial innovation, in 2020, TCB acquired a total of 65 financial patents approved and issued by Intellectual Property Office, Ministry of Economic Affairs. In order to keep on the momentum of continuously filing patent applications to Intellectual Property Office, TCB has introduced incentive measures that provide money rewards to encourage financial technology patent application from within the bank. Also, TCB will continue to hold the "Financial Technology Patent Seminar" every year to help banking staff establish the concept of intellectual property protection and familiarize with relevant procedures of filing application for financial technology patent through professional lecturers' sharing on different case studies and introduction of practical operation.

Number of Financial Technology Patent Applications Being Approved or under Reviewed as Filed by TCB

| Patent Category | Patent Approved | Patent under Review | Total |
|----------------------------|-----------------|---------------------|-------|
| Mobile Platform | 12 | 5 | 17 |
| Big Data | 18 | 9 | 27 |
| Artificial Intelligence | 3 | 4 | 7 |
| Blockchain | 3 | 1 | 4 |
| Security Control Mechanism | 13 | 4 | 17 |
| Biometric Identification | 6 | 2 | 8 |
| Others | 120 | 11 | 131 |
| Total | 175 | 36 | 211 |

As of end of December, 2020

2.2.5 Nurturing Digital Financial Talents

In order to enable employees keeping abreast of the latest trend of financial technology and strengthening digital skill so as to grow into digital financial specialist with forward looking vision and beyond-the-boundary thinking, TCB has engaged in collaboration with such academic institutes as National Chengchi University and National Tsing Hua University, established CoLAB to develop seed members, and continuously worked with external consultants to nurture and develop staff with the capabilities of information analysis, technological innovation, or digital marketing through workshops or specialized classes that focus on financial technologies such as blockchains, artificial intelligence, big data, robotic wealth management, and internet of things (IoT).

A special program on "innovative service design and digital training" was launched in 2020 exclusively for sales personnel at the head office. Themed on financial services, the program was set to develop the scope of strategic vision by utilizing visionary tools to figure out business opportunities hidden in the data, getting hold of the habit of both consumers and social medias, so as to learn how to design services prone to induce interactions with customers as well as coming up with corresponding indicators for evaluating effectiveness of the new service. In 2020, a total of 1,150 talents were trained through 3 forums, 2 digital training courses, and 34 units of workshop.

2.3 Protecting Customer Rights and Increasing Customer Satisfaction

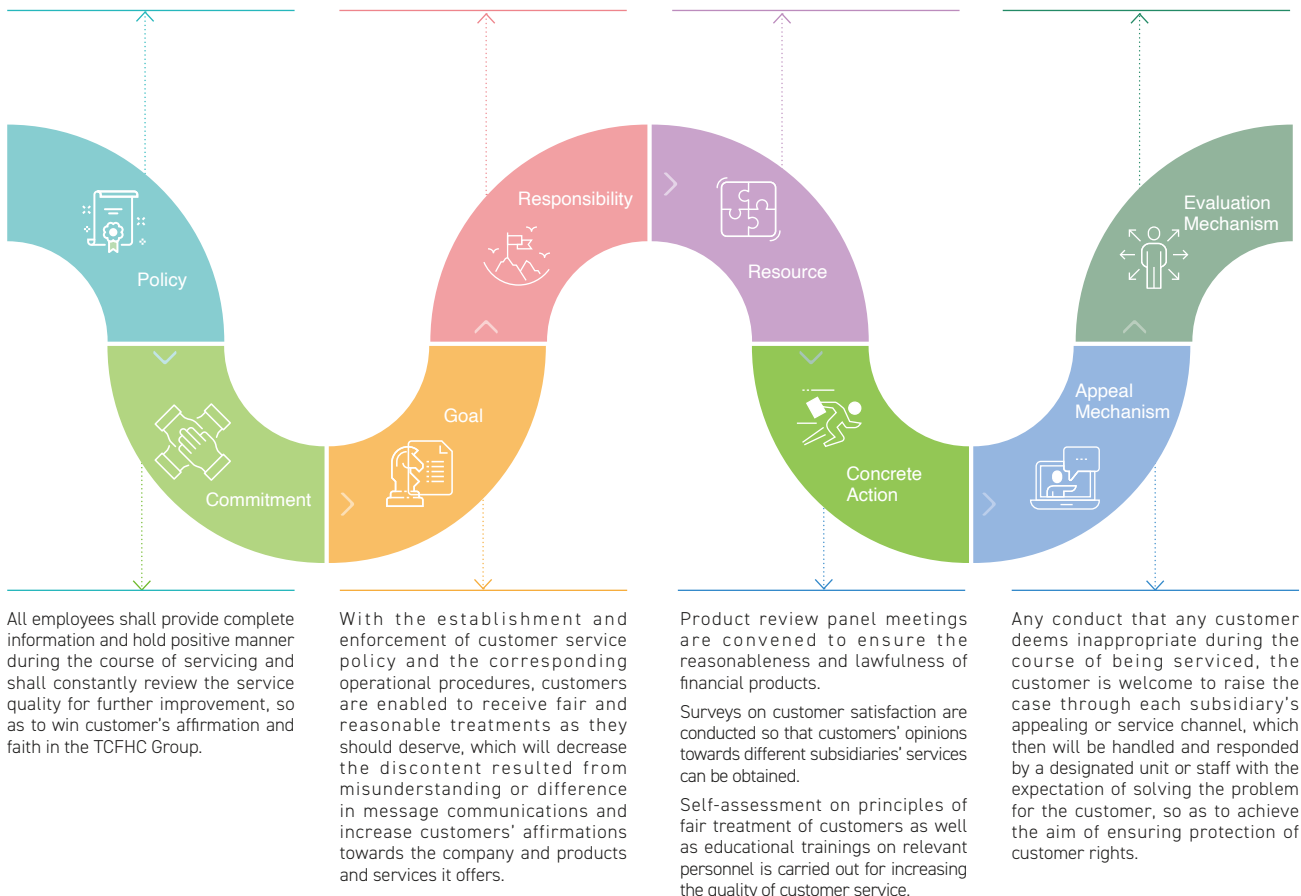
Management Approach of Protecting Customer Rights and Increasing Customer Satisfaction

TCB, BNP TCB Life and TCS have formulated policies or strategies on the principle of fair treatment of customers, consumption disputes and customer complaints related regulations. The rights and benefits of financial consumers have been taken as the core value so as to ensure the protection of customer rights and increase customer satisfaction.

Corresponding operational procedures and evaluation methods are devised subject to characters of financial consumers that each subsidiary services. The professionalism of sales and customer service staffs have also been continuously strengthened so as to increase customer satisfaction effectively.

Sales and customer service staffs of each subsidiary are required to continuously improve service skills and professional financial knowledge for offering services with better quality. Relevant reviews and audits through management units or specialists are also in places which will be taken as the reference for further evaluation and improvement.

Subsidiaries that require direct communications with financial consumers have all adopted methods to keep track of customer satisfaction and service status including customer satisfaction survey, service performance evaluation, telephone interview, and mystery interview.



2.3.1 Principles of Fair Treatment of Customers

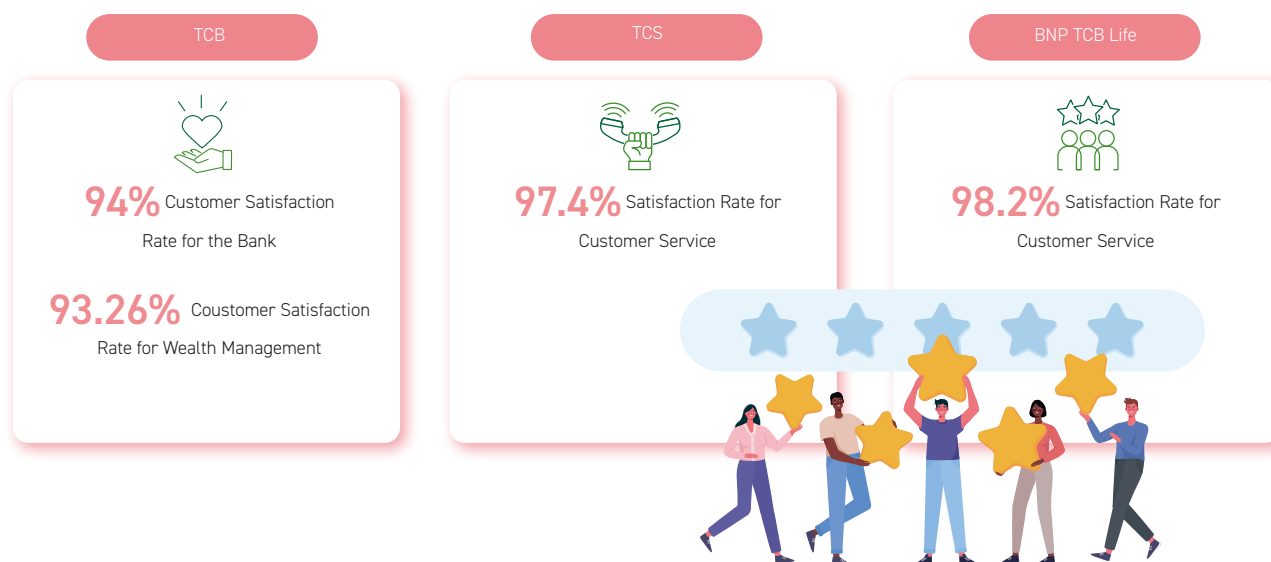
In order to protect rights and benefits of customers effectively, TCB, TCS, and BNP TCB Life have all set up policies and measures related to principles of fair treatment of customers. Employees are obliged to be loyal and ethical on sales, advertising and promotion, appealing and protection, and professionalism of sales agent of products and services, so as to ensure that each and every consumer is fairly treated. Meanwhile, in order to be updated on the implementation status of principles of fair treatment of customers and make necessary improvement, regular audit and inspection are conducted. In 2020, the result of the evaluation indicated that there was no significant flaw.

TCB established "Consumer Protection and Fair Treatment of Customer Promotion Committee" in 2019, which was responsible for formulating the policy and strategy concerning principles of fair treatment of customers, handling significant consumption dispute and improvement, and reviewing progress of promoting the fair treatment of customer along with the evaluation result, so as to instill fair treatment of customer into the corporate culture. In order to continuously educate employees with proper concept of consumer protection, in 2020, 5 subsidiaries of TCFHC including TCB, TCS, TCBF, BNP TCB Life, and TCSIT have all held educational trainings on principles of fair treatment of customers with the training completion rate of 100%.

In response to the increasing occurrence of fraud by wealth management specialist, TCB has strengthened its internal control and risk management, reinforced customer complaint management, and activated mystery inspection mechanism. In addition to conducting credit check on wealth management specialists every year, TCB requests all the wealth management specialists to sign "Guideline of Behavioral Conduct for Wealth Management Business Employees" and to abide by "Principles of Business Integrity", "Protection of Financial Consumers", and "Fair Treatment of Customers in the Financial Industry" to increase the satisfaction of customers.

2.3.2 Maintenance of Customer Relations

Having a sound customer relationship is an integral element for stimulating the TCFHC Group to raise the competitiveness. TCB, TCS, and BNP TCB Life have all adopted different approaches including making phone calls, sending emails, or performing onsite inspections in business units to understand customers' opinions and recommendations towards different financial products that the TCFHC Group has offered, so as to raise the quality of customer service.



The TCFHC Group has set up smooth communications and appealing channels that enable customers to raise cases through hotline or email. As soon as the TCFHC 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 rules in "Personal Information Protection Act" for protecting customer's privacy. The process of the handling and the resulted improvement measures would then be reported to the President to ensure the refinement of customer service. In 2020, the total customer complaint cases that the entire group received were 323, all of which were dealt and closed.

Case Study of Customer Complaint to TCB

The Case

A company had filed application for COVID-19 pandemic relief loan but was turned down by TCB on the ground that the ex-wife of the person in charge of the company filed auction application to the court for the collaterals despite that the company has been making repayment normally and regularly. Due to the pandemic impact, the company indeed had funding need, and hoped that the bank could provide assistance.

The Handling

The petitioner (the person in charge of the company) and his company have both obtained loans from the bank. The company itself has been making normal repayment, but the person in charge of the company did not honor his repayment obligation normally. Despite of the fact that the company has undergone difficult time and thus applied to TCB for a relief loan, it, however, did not meet the regulatory requirements that if any enterprise or its affiliates does not make the instalment as in the debt agreement, such an enterprise or its affiliates' loan application will not be granted with credit guarantee. Nevertheless, in order to help the company get over difficulties, TCB has taken the initiative to assist the company in applying for loan extension and interest subsidy based on "Measures for Relieving and Stimulating Businesses Undergoing Operational Difficulties Due to COVID-19 Pandemic", which has helped the company solving problems.

Measures for Improvement

If a customer is ineligible to apply for a loan, the branch that handles the case shall explain to the customer reasons in an euphemistic manner and if there is any suitable alternative loan program, the branch shall take the initiative to help the customer to apply for. TCB has incorporated this case into study cases for the training course of "Corporate Banking Business Lecture" for increasing service quality.

Case Study of Customer Complaint Cases to TCS

The Case

TCS was notified by Financial Ombudsman Institution in July 2020, indicating that a customer who had undergone serious loss on warrant trade, which further resulted in margin call due to insufficient credit trade maintenance rate, had complaint about TCS for not performing the obligation of informing risks involved in entrusted securities trade leading to the loss of customer's assets, and had further appealed that TCS's operational procedures had violated the principles of fair treatment of customers and relevant regulations. Therefore, the case was listed for further investigation.

The Handling

After inspecting telephone voice records of the sales agent and relevant documents, what was complaint by the customer had already been fully informed with, and relevant operational procedure was engaged in by following the regulations, which did not make any harm to the rights and benefits of the customer.

Measures for Improvement

In order to avoid the circumstance in which customers are unable to read through the content in details when signing account opening contract, sales agent have been requested to make clear explanation of the material content in the account opening contract through educational trainings in addition to the reinforcement on precautionary statements of the risk of relevant products.

Case Study of Customer Complaint to BNP TCB Life

The Case

An insurance customer made an appeal to Financial Ombudsman Center in June 2020, indicating that the telemarketing staff had requested the provision of credit card number as early as on the second phone and had informed that there would be another notification prior to debiting for the payment; however, the credit card was debited for the payment without any notification. Afterwards, the customer filled out and sent back the application for withdrawing from the contract along with the insurance policy certificate and signed receipt back to the insurance company on May 13, 2020, but the credit card bill the customer received indicated that it was still debited on June 8, 2020 for the payment. The customer therefore requested the insurance company to cancel the contract as soon as possible.

The Handling

It was found that the customer in this case had made several phone calls to the customer service center since the second day after the customer received the insurance policy certificate, requesting withdrawal from the contract, and had sent back the insurance policy certificate, and the receipt in which the box of not agreeing to be insured insurance was ticked. The date the insurance company received the application had exceeded the 10-day contract cancelling period, the customer had, however, expressed clearly the intention of cancelling the contract by ticking the box of not agreeing to be insured, the insurance company eventually agreed to cancel the contract, return the paid premium and closed the case, considering the protection of the customer rights.

Measures for Improvement

In order to avoid delay in the response to customer's request, telemarketing staff have been requested to review customers' requests in real time every day. In addition, standardized pitch and response approaches have been added into the educational training courses, which are required to abide by, or it may result in penalty according to the company's bylaws. Meanwhile, the "Notification Handling Progress System" has been planned out for effectively managing the timeliness of operation and raising service quality.

2.3.3 Procedures of Product Review and Up for Sales

For honoring the fair treatment of customers, the TCFHC Group has offered consumer centric products and services based on the principles of fairness and reasonableness, equality and mutual benefits, and integrity. These products and services have been planned, developed and designed from the perspective of protecting consumer rights and then are promoted to different customer segment to cater for different needs. All of the financial products rolled out by the TCFHC Group have not just met the regulatory requirements set by each of the subsidiary's industry, but have also gone through internal review for making sure that there contains no inappropriate content, untruthful statement, misleading information, or violation of relevant regulation and internal bylaws. If any product that requires prior approval from competent authority before putting up for sale, such a product still has to go through further post-sale review on the content of the product subject to actual sales performance, consumers' reactions and opinions, and changes of relevant regulations, so as to ensure that all the financial products meet both the regulatory requirements and the needs of consumers.

In 2020, there had been a total of 40 product review panel meetings being held by TCB, in which 722 domestic products and 145 overseas products were reviewed. In the same year, BNP TCB Life had held 10 insurance product review panel meetings, in which 10 new products had gone through internal review and being either approved or taken for future reference, whereas another 167 products were requested by competent authority to be either taken for future reference after revision, or made partial alteration. Also, in 2020, TCSIT had held 12 product review panel meetings in which 3 products had gone through internal review and received approval from competent authority.



2.4 Financial Inclusion

With humanity and pursuing social well beings as the core value, the TCFHC Group has not just rolled out a variety of financial products and services with inclusive nature but has also wielded influence in the financial industry to endeavor to make people with different backgrounds all being entitled to fair and reasonable financial services and resources, so as to make the idea of inclusive finance taking roots and thus enable sustainable development of the Group.

2.4.1 Friendly Financial Services



Creating a barrier free friendly service environment: 270 branches across Taiwan have all had different types of barrier free facilities or measures in places including barrier free slope for enabling physically or mentally impaired people or other disadvantaged to enter, tactile and service bell, barrier free service counter and ATM, and designated service staffs to assist. As of the end of 2020, TCB had installed 1,130 physically or visionary impaired friendly ATM.



Setting up an internet based "friendly financial service zone": Visionary impaired people are offered with more easily accessible features and interfaces through friendly personal online banking and simplified eATM in addition to the waive of service fee for interbank ATM withdrawal 3 times a month. The system has received the labelled certificate of "AA Barrier Free Website" from National Communications Commission (NCC). In addition, customers are able to use online and mobile banking service for credit card issuance, credit card activation, and credit card loss registration.



Building a bilingual financial service environment: TCB has established 11 bilingual serviced branches featured with designated English speaking service counter, English based document sheets and application forms, and English based signage and displays, and queue system. In addition, for non-English native speakers, electronic multilingual translators are in places. Also, a Japanese-speaking service is provided in the Nanjing East Road Branch given its location where Japanese tourists usually gather. All of the efforts are aimed to make foreign tourists to feel at home while banking with TCB.



2.4.2. Diversified Financial Program

In order to stimulate economic and social development, the TCFHC Group has managed to integrate different resources to offer diversified financial programs to meet different needs of customers. For small and medium size enterprises, key innovative industries, local creative industry, agricultural and fishery industries, the youth and long-term care institutions, TCB has offered different project loans. As for customers of different age, gender and groups, TCB has rolled out a series of financing services including young entrepreneur loan, micro start-up phoenix loan, unemployed under insurance start-up loan, and "Youth to Start family" preferential housing mortgage, part of the efforts for pursuing sustainable development. As of the end of December 2020, TCB had in total processed

23,333 cases of "youth to start family" preferential housing mortgage with a total mortgage of NT68.507 billion. Of different project loans for stimulating the development of small enterprise and local community that TCB has underwritten, the ones with the amount exceeding NT\$ 5 billion are COVID-19 pandemic relief loan (NT\$586.883 billion), urban renewal project loan (NT\$15.677 billion), and agricultural and fishery project loan (NT\$11.077 billion). The total amount of the 40 cases of overdue loan only accounted for 0.03% of the total project loans earmarked for stimulating the development of small enterprise and local community. Furthermore, in order to support the government's southbound policy, TCB has worked to assist SMEs in making use of the endorsement mechanism such as overseas credit guarantee fund for making overseas investment. In total, TCB has assisted SMEs in obtaining a guarantee amount of US\$3,948,000, an effort that was recognized by Financial Supervisory Commission which granted TCB the award of "Excellent Bank in Credit Facility Offering for the Southbound Investment Policy".

Paragons for Micro Start-ups






In order to help petite entrepreneurs reviving their lives through starting new businesses, TCB has been working with Ministry of Labor to offer "micro startup phoenix loan" and "insured unemployed start-up loan" to help the unemployed covered by employment insurance, women, mid-aged to the elderly, and residents in offshore islands starting micro businesses, and to create friendly start-up environment so as to stimulate economic development and increase employment in the society.



In 2020, the 10 best paragons on micro startup were selected in the "awarding ceremony of micro startup paragon" hosted by Ministry of Labor to share their experiences with the aim of inspiring the spirit of the kind among potential entrants, prompting for mutual learning, and promoting achievements of the government led efforts. Of the 10 paragons, 2 obtained loans from TCB with one of them born in Indonesia, Ms. Feng, who immigrated to Taiwan with families when young. After being attracted into manicure industry by accident, Ms. Feng has been keen on seeking further growth in this industry and has won the bronze in an international manicure contest. Considering there are still rooms for development, Ms. Feng made her mind to start a business, which now has grown to a certain size and is planned to expand into international market for servicing more customers. Another one is Ms. Hwang who was born in a village of Pingtung. Starting off her career as a teacher, family reasons have made her deciding to run her own farm from scratch. She started a business as a novice but has now being nicknamed as the "queen of basil" following the growth of her business. She is hoping to promote organic agriculture to more places for creating a friendly and sustainable environment.

Both Ms. Feng and Ms. Hwang have chosen TCB to bank with. Statistics have shown that since TCB started receiving applications for micro startup loan, the loan approval rate for female applicants have exceeded 75%, a result that indicates the loan itself has reflected the spirit of gender equality. TCB is always the best partner of entrepreneurs, keeping them accompanied all the way through to success.

Achievement of Diversified Financial Program in 2020

| Project Type |  |  |  |  |  |
|-----------------------------|---|---|---|---|---|
| | SME Loan | Youth to Start Family Mortgage | Youth Startup Loan | Micro Startup Phoenix | Assorted Agriculture Loan |
| Amount Underwritten | NT\$762.395 billion | NT\$6.047 billion | NT\$1.319 billion | NT\$ 110 million | NT\$1.76 billion |
| Number of Case Underwritten | 54,443 | 1,313 | 1,455 | 132 | 310 |

2.4.3. Financial Seminar and Knowledge Promotion

In order to improve knowledge of financial products and capability of bearing risks among the general public, TCB has taken the initiative to hold a series of financial knowledge tutorial seminar titled "Celebrity's Enterprise Touring Lecture" every now and then, in which a series of LOHAS subjects is incorporated into its key themes to enable senior citizens to understand how to best use financial products to make the rest of their lives pleasant and joyful. In addition, for supporting the government's policy, lecturers from TCB have hit the road to campuses, remote areas, and aboriginal villages to impart proper concept of investment and wealth management so as to help cultivating the financial knowledge. In 2020, TCB had held a total of 42 seminars in different campuses in addition to another 7 seminars being held in hospital and care institutions for promoting care trust.

2020 Sustainability Achievements

Taiwan Cooperative Holdings

Employee Care



Talent development is fundamental to any enterprise wishing to pursue sustainable development. Insisting on making the Company a well-being enterprise, TCFHC has been working to build an employee friendly and healthy workplace, providing comprehensive remuneration and benefit packages as well as well-planned career development scheme, flourishing multiple channels for talent recruitment, and establishing effective communication channels between employees and top executives so as to reduce the possibility of any form of coercion and forced labor. Faced with COVID-19 pandemic, TCFHC has taken the initiative to implement employee care policy by emphasizing the balance between physical and mental health and work life among employees, so as to ensure employees' health and well-being.

3.1. Composition of Employees

As of the end of 2020, there were in total 9,448 employees working with TCFHC, the majority of whom were aged between 30 and 50, and the ratio of male to female were 1:1.5. As part of the efforts to help disabled and aboriginal people getting employed, TCFHC has in total hired 139 disabled and aboriginal staff working for the Company, accounting for 1.47% of the total employees, a figure that is higher than the legal requirement of 1%. With a full abidance of relevant regulations, the recruitment, rewarding, and promotion of employee are protected against discrimination of differences in race, religion, skin color, political party, age, gender, marital status, and physical or mental disadvantage.

Total Number of Employee and Age Distribution in TCFHC Group

| Company | Age | | | Total |
|--|----------|-------|----------|-------|
| | Below 30 | 30-50 | Above 50 | |
| Taiwan Cooperative Financial Holding Company | 1 | 2 | 15 | 18 |
| Taiwan Cooperative Bank | 1,150 | 4,206 | 3,279 | 8,635 |
| Taiwan Cooperative Securities | 14 | 289 | 95 | 398 |
| Co-operative Assets Management | 6 | 35 | 12 | 53 |
| Taiwan Cooperative Bills Finance | - | 29 | 30 | 59 |
| BNP Paribas Cardif TCB Life Insurance | 20 | 184 | 21 | 225 |
| Taiwan Cooperative Securities Investment Trust | 2 | 33 | 12 | 47 |
| Taiwan Cooperative Venture Capital | 3 | 6 | 4 | 13 |
| Total | 1,196 | 4,784 | 3,468 | 9,448 |

(As of the end of 2020)

Distribution of Gender and Work Location of TCFHC Group Full-Time Employee

| Company | Gender | | Total | Work Location | |
|--|--------|--------|-------|---------------|----------|
| | Male | Female | | Taiwan | Overseas |
| Taiwan Cooperative Financial Holding Company | 11 | 7 | 18 | 18 | - |
| Taiwan Cooperative Bank ^(Note) | 3,566 | 5,065 | 8,631 | 8,234 | 397 |
| Taiwan Cooperative Securities | 132 | 266 | 398 | 398 | - |
| Co-operative Assets Management | 31 | 22 | 53 | 53 | - |
| Taiwan Cooperative Bills Finance | 35 | 24 | 59 | 59 | - |
| BNP Paribas Cardif TCB Life Insurance | 77 | 148 | 225 | 225 | - |
| Taiwan Cooperative Securities Investment Trust | 21 | 26 | 47 | 47 | - |
| Taiwan Cooperative Venture Capital | 8 | 5 | 13 | 13 | - |
| Total | 3,881 | 5,563 | 9,444 | 9,047 | 397 |

(Note: There are another 4 temporary workers working in TCB)

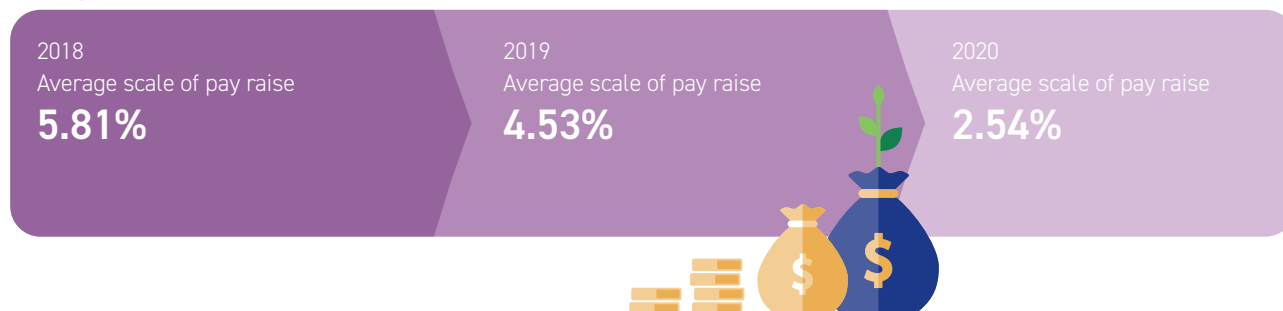
3.2 Employee Remunerations and Benefits

In order to retain talents TCFHC provides comprehensive compensation and benefit programs and has also set up "Remuneration Committee" to not just formulate but review remuneration policy and the related reasonableness. In addition, TCFHC has adopted a flexible employee rewarding scheme which reflects operational performance of each year as an incentive to encourage staff to continue to make contribution. In addition to offering stable income, TCFHC honors four other aspects of employee care including "family care", "security of life", "welfare facility", and "health care". TCFHC has been actively planning on bettering benefit schemes and measures, and prompting the health of employee as well as harmonious industrial relations, so as to build a diversified yet warm and friendly working environment.

3.2.1. Update of Employee Compensation

In addition to being selected as a constituent of "Taiwan High Compensation 100 Index" for 6 straight years between 2015 and 2020, TCFHC has managed to make operational performance reflected on employees' actual compensation. The average pay raise scale in Taiwan Cooperative Bank reached 2.54% in 2020 along with an additional 0.2 monthly salary equivalent profit growth bonus for every employee. In 2020, the average annual salary of a full-time non-supervisor employee in TCFHC was NT\$1.362 million or NT\$1.244 million for median salary. The median figure in fact has topped the financial and insurance industry for 2 consecutive years, whereas the level of average salary even ranked the top 3 among government affiliated financial holdings.

Average Scale of Pay Raise in Last 3 Years



Salary Information of Non-Supervisory Full-Time Employee in TCFHC

| Year | Number of Non-Supervisory Full-Time Employee | Average Salary of Non-Supervisory Full-Time Employee (NT\$ thousand) | Median Salary of Non-Supervisory Full-Time Employee (NT\$ thousand) |
|------------|--|--|---|
| 2020 | 8,245 | 1,362 | 1,244 |
| 2019 | 8,103 | 1,366 | 1,233 |
| Difference | 142 | (4) | 11 |

Note 1: The figures provided above consist of those of TCFHC, TCB, TCS, and BNP TCB Life.

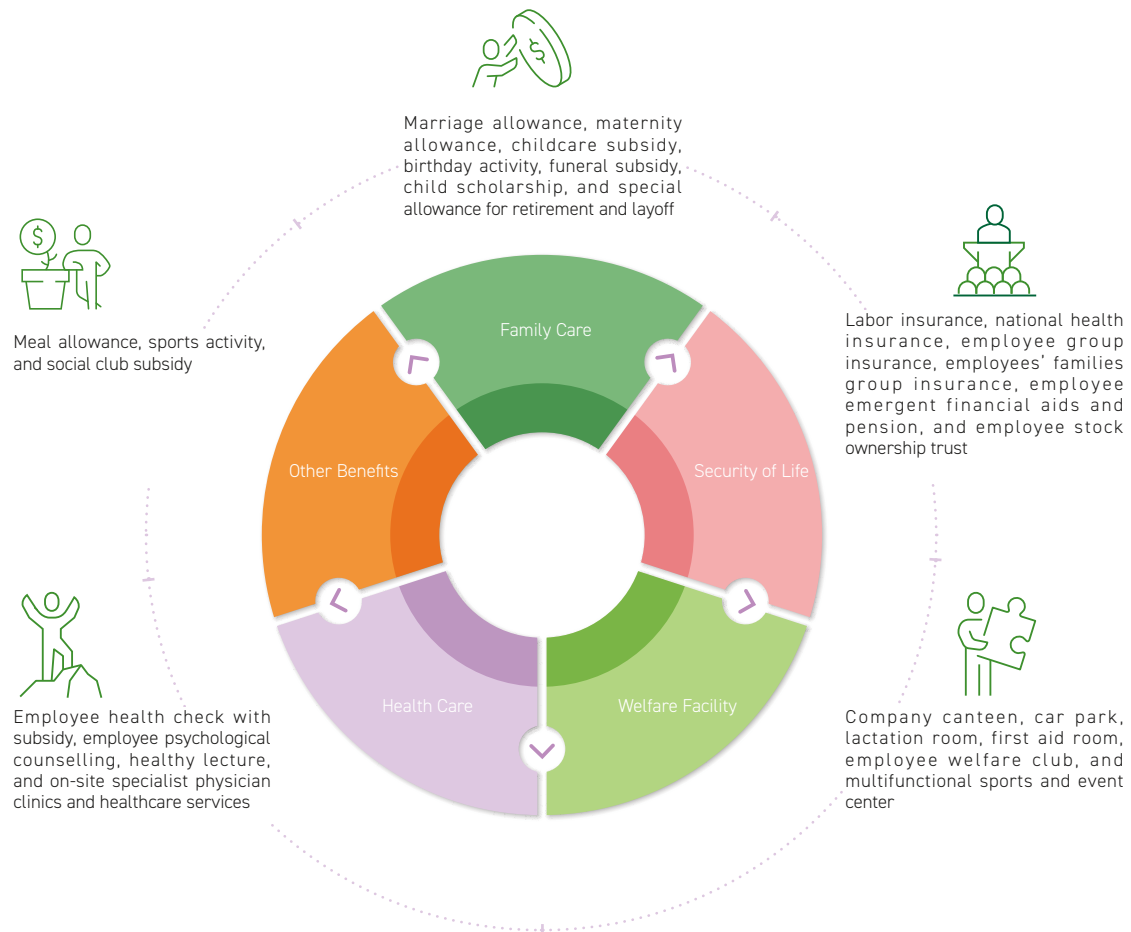
Note 2: The content of the salary herein referred to is defined by TWSE's "Measures for Handling the Salary Information of Non-supervisory Full Time Employees and Q & A".

Note 3: According to TWSE's "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by Listed Companies" in January 14, 2019, "non-supervisory" employee (non-managerial staff) is defined and identified by the applicable scope of "managerial staff" ruled in the instructive letter no. 920001301 on March 27, 2013 for making statistics and information filing. In practice, the applicable scope of the "managerial staff" shall be consistent with those of "managerial staff" as filed by each company or the managerial staff revealed in the annual report, as well as in different periods.

3.2.2 Multiple Employee Benefits

In order to protect the interests and rights of employment and prompt the harmony of industrial relations, TCFHC has provided a comprehensive employee benefit scheme superior to the statutory level. The benefit scheme is adjustable and addable whenever necessary including the addition of health check items, increase in maternity allowance, and launch of employee stock ownership trust program. As of the end of 2020, there had been 96.4% of Taiwan Cooperative Bank's employees joining the program.

In addition, in order to encourage employees to participate in social club activity, which is helpful for releasing work stress and increasing interactions and exchanges between staff, TCFHC's bank subsidiary, Taiwan Cooperative Bank has begun to subsidize part of the expense of activities held by internal clubs registered with the company since 2020.



Family Care

In order to let employee and their dependents benefit more cares from the company, TCFHC's bank subsidiary, Taiwan Cooperative Bank provides generous allowance and subsidy scheme on marriage, maternity, childcare, and funeral, as well as child education scholarship, emergent financial aids, pensions, and various comfort payments, which together with holding matchmaking events for single employees from time to time, has formed a comprehensive employee and dependent care structure. Taking maternity benefit as an example, giving birth to the first, the second, and the third child will be provided with NT\$60,000, NT\$80,000, and NT\$100,000 allowance respectively, which plus the subsidy from the average employee welfare club could make the total amount as much as NT\$110,000.

In addition, TCFHC has followed "Act of Gender Equality in Employment" to provide a comprehensive leave management system for employee to request for menstrual leave, maternity leave, paternity leave, pregnancy leave, and paid parental leave, as well as paid breastfeeding hours and unpaid parental leave. An electronic platform is also devised to remind employees of making early leave plans or adjust work days so as to maintain the balance between work and family lives. In 2020, the average rate of reinstatement across TCFHC and all of the subsidiaries was as high as 89.19%.

Employees of TCFHC Applying for Parental Leave and Suspension and Reinstatement

| Company | 2020 | | | | 2019 | | |
|---------------------------------------|---|---|---------------------------------------|-----------------------------|---------------------------------------|---|-------------------------|
| | Number of Applicants for Parental Leave | Number of Supposedly Reinstated Staff (A) | Number of Actual Reinstated Staff (B) | Rate of Reinstatement (B/A) | Number of Actual Reinstated Staff (C) | Retaining for at Least One More Year From the Day of Reinstated (D) | Rate of Retention (D/C) |
| Taiwan Cooperative Bank | 83 | 68 | 61 | 89.71% | 49 | 45 | 91.84% |
| Taiwan Cooperative Securities | 4 | 4 | 3 | 75% | 6 | 6 | 100% |
| Co-operative Assets Management | 1 | -- | -- | -- | -- | -- | -- |
| BNP Paribas Cardif TCB Life Insurance | -- | 2 | 2 | 100% | 1 | 0 | 0% |
| Total | 88 | 74 | 66 | 89.19% | 56 | 51 | 91.07% |

Note: There have been no application ever being made for unpaid parental leave in either Taiwan Cooperative Bills Finance, Taiwan Cooperative Venture Capital, or Taiwan Cooperative Securities Investment Trust, and hence the reinstated employee.

Security of Life

In order to protect employee's life and work against uncertainty, TCFHC has made all employees being covered with labor insurance, national health insurance, and employee group accidental injury insurance, to make sure each and every employee being provided with the care they deserve during their duty hours. Employee's dependents are also entitled to join group insurance. When an employee retires or is laid off, relevant benefits would be processed according to "Measures for Handling Employee Retirement Pension and Layoff" and Employee Welfare Committee would also provide relevant subsidy.

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 employee's 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.

Welfare Facility

The TCFHC Group has been concerned with the health of employee, striving to create a well-being working environment, an effort that has propelled each subsidiary and their branches to set up different types of facilities subject to office size and need of employee such as first aid room, lactation room, employee club, company canteen, and car park. In addition, there are multi-functional ball courts, gym, yoga and dance studio being established in the sports and cultural center in the TCB's head office building, hiring professional instructors to give lessons on yoga, dance, and aerobic exercise. Employee social clubs are also offered financial assistance through subsidy for encouraging employee to develop hobbies and to exercise to release stress. In 2020, TCFHC was again granted with the certification of "Sports Enterprise" by Sports Administration, Ministry of Education.



Health Care

As part of the efforts to encourage employee to keep health in check, TCFHC has provided employees with better-than-statutory health check scheme, in which professional healthcare institutes are contracted to conduct health check on employees once every three years. In addition, in order to look after those who are in overseas posts, employees of overseas units younger than 40 years old are entitled to apply for the NT\$3,500 health check subsidy. In 2020, the total amount of health check subsidy the Group provided were NT\$4,420,000.

In addition, since 2020, TCFHC has added a new health check option between magnetic resonance angiography (MRA) and low dose computed tomography (LDCT) into the health check scheme, which is taken once every two years with an amount of subsidy up to NT\$6,000. Considering that lung cancer has been listed as one of the top 10 death cause in Taiwan in recent years, in 2021, employees whose ages are "more than 45 but less than 50, with the first degree of next kin diagnosed with lung cancer" are entitled for LDCT check on lung. Also, a provisional vaccination station has been set up in the head office building in specific season to facilitate employees taking influenza vaccination so as to form a safety net in TCFHC. In 2020, the total expense on making relevant healthcare subsidy across the Group was near NT\$14,480,000.

| Position & Age | Years of Service | Health Check Benefits | Subsidized Amount Across the Group in 2020 |
|---|-------------------|--|--|
| Less than 40 years old | At least one year | Entitled to request for 1-day official leave for health check once every two years | NT\$4,421,247 |
| Between 40 years old and less than 50 years old | NA | Each employee is entitled for NT\$3,500 subsidy once every two years | |
| 50 years old and above | NA | Each employee is entitled to an annual subsidy of NT\$3,500 the most | |
| Unit head | NA | Each unit head is entitled to an annual subsidy of NT\$10,000 the most | |

3.3 Career Management and Learning

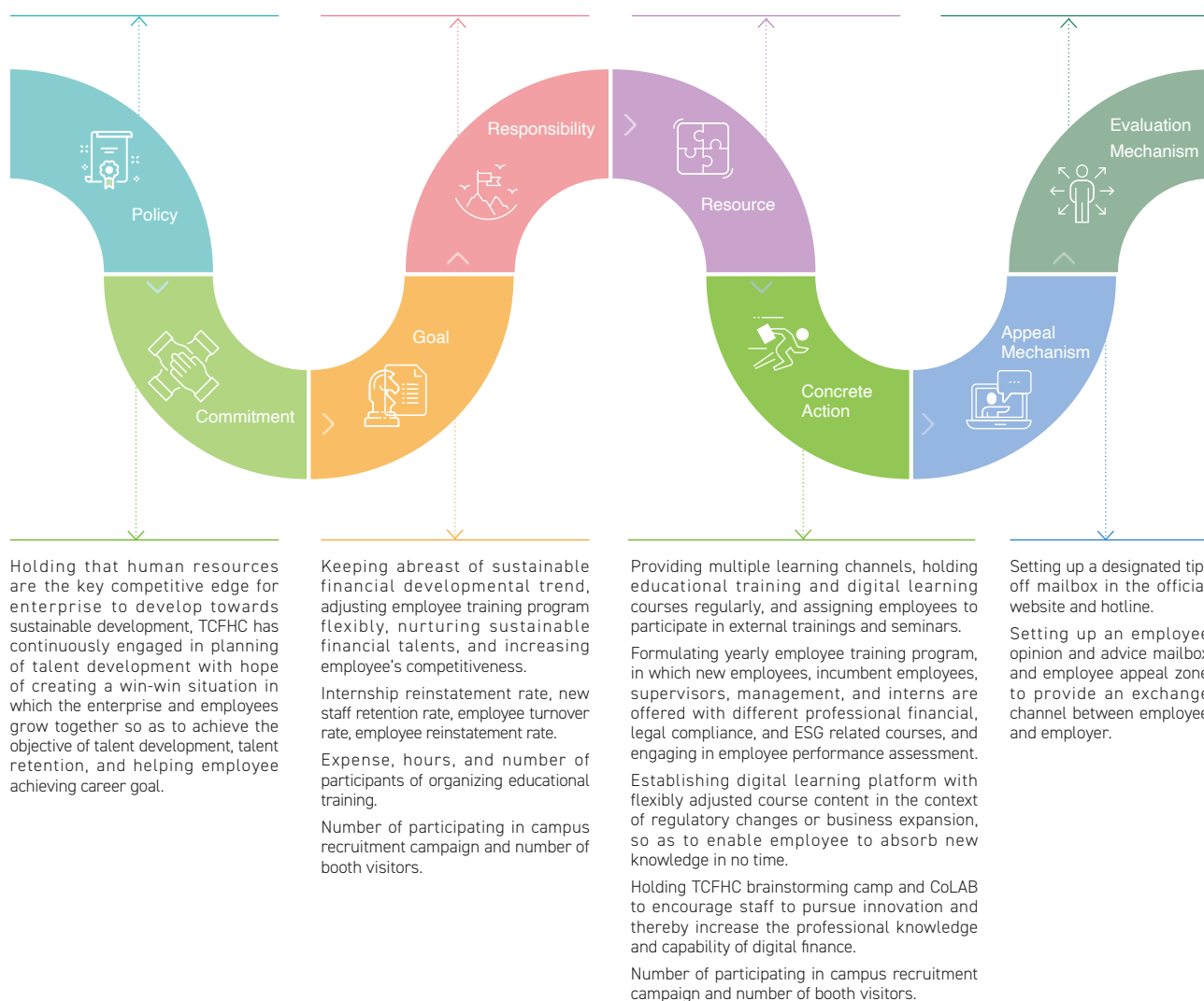
Management Guidelines for Employee Learning and Development

TCFHC has taken business operational objective and developmental strategy as the basis to construct a well-bound educational training program that contains diversified class and lessons catering to different duties, positions and levels, and professions, aiming to increase the professional capacity of employee effectively.

The human resource unit is responsible for devising diversified training programs to meet different needs of career planning so as to nurture all-around financial talents.

The TCFHC Group has delegated Human Resources Department of subsidiaries to generate each of their own annual training programs for developing professional working skills of employees so as to facilitate improvement of employees' career performance.

All the subsidiaries mainly involved in services of financial consumers are fixed respectively with such methods as customer satisfaction survey, evaluation of service performance, telephone interview, and mysterious interview to get a line on the status of customers' satisfaction and service information.



Human resources are a key competitive edge of an enterprise when moving towards sustainable development. In order to implement the Group's talent development plan, TCFHC has managed to bring core corporate value and strategic developmental objective into the construction of comprehensive educational training and continuous education program that contains well-planned training blueprint subject to different positions and levels as well as different needs of professional capacity, aiming to achieve the objective of talent development, talent retention, and employee attaining career goal, a win-win situation where the enterprise and employee grow together. In 2020, the average employee turnover rate across the Group was lower than 2.38%, superior to the targeted rate of less than 5%. The new employee retention rate of Taiwan Cooperative Bank in 2020 was as high as 85.76%.

Ratios of New and Departing Employee to All Employees of TCFHC in 2020

| | | New Employee | | Departing Employee | |
|----------------|-------------------|--------------|------------------------|--------------------|------------------------|
| | | Amount | Ratio to All Employees | Amount | Ratio to All Employees |
| Gender | Male | 272 | 2.88% | 113 | 1.20% |
| | Female | 336 | 3.56% | 112 | 1.19% |
| Age | Below 30 | 404 | 4.28% | 108 | 1.14% |
| | Between 30 and 50 | 195 | 2.06% | 111 | 1.17% |
| | Above 50 | 9 | 0.10% | 6 | 0.06% |
| Work Territory | Taiwan | 554 | 5.86% | 180 | 1.91% |
| | Overseas | 54 | 0.57% | 45 | 0.48% |

3.3.1 Diversified Learning and Training Arrangements

In order to motivate employees pursuing growth by strengthening the required professional skills, each year the TCFHC Group has generated different annual training program that contains various types of professional lectures and training courses either being held internally or arranged externally through collaborations with different training institutions, schools, or government agencies. The Group has encouraged staff to take part in external training courses as well as held celebrity speech event from time to time, an arrangement of multiple learning channels that hopes to raise employee's professional capacity and so the competitiveness of the entire group.

In addition to the provision of professional financial courses as well as leadership and management trainings to employees of different levels, the TCFHC Group has shed new light on ESG issues by organizing relevant training activities with such topics as information security, business integrity, human rights and equity, task force on climate-related financial disclosures, green finance, and environmental education, hoping to build up the consciousness of sustainable developments so as to make the Group resilient.

In preparation for the global deployment, the expansion of overseas service network, and the establishment of bilingual branch, TCFHC's bank subsidiary - Taiwan Cooperative Bank has regularly held overseas management associate recruitment every year. These recruited talents would be dispatched to overseas service points in an appropriate time, as part of the efforts of the Company to develop all-round international financial talents. As of the end of 2020, there had been a total of 139 overseas management associates being recruited.

Update of Trainings Practiced in TCFHC and Subsidiaries

| Table of Training Hours, Recipients, and Expenses | | | | | | |
|---|--------|----------------------|------------------------------|------------------------|-------------------------------|-----------|
| Company | | Total Training Hours | Number of Training Recipient | Average Training Hours | Total Training Expense (NT\$) | |
| Taiwan Cooperative Financial Holding Company | Male | Supervisor | 33 | 2 | 17 | 15,830 |
| | | Non-Supervisor | 452 | 14 | 32 | 184,213 |
| | Female | Supervisor | 65 | 4 | 16 | 37,920 |
| | | Non-Supervisor | 238 | 6 | 40 | 92,880 |
| Taiwan Cooperative Bank | Male | Supervisor | 3,895 | 150 | 26 | 111,694 |
| | | Non-Supervisor | 134,209 | 3,344 | 40 | 6,508,411 |
| | Female | Supervisor | 5,064 | 177 | 29 | 131,799 |
| | | Non-Supervisor | 190,469 | 4,718 | 40 | 9,182,620 |
| Taiwan Cooperative Securities | Male | Supervisor | 737 | 24 | 31 | 266,540 |
| | | Non-Supervisor | 1,371 | 109 | 13 | 222,605 |
| | Female | Supervisor | 559 | 14 | 40 | 172,510 |
| | | Non-Supervisor | 3,677 | 252 | 15 | 482,325 |

| Company | | | Total Training Hours | Number of Training Recipient | Average Training Hours | Total Training Expense (NT\$) |
|--|--------|----------------|----------------------|------------------------------|------------------------|-------------------------------|
| Co-operative Assets Management | Male | Supervisor | 112 | 5 | 22 | 61,200 |
| | | Non-Supervisor | 168 | 8 | 21 | 52,300 |
| | Female | Supervisor | 40 | 2 | 20 | 6,000 |
| | | Non-Supervisor | 120 | 8 | 15 | 15,000 |
| Taiwan Cooperative Bills Finance | Male | Supervisor | 126 | 6 | 21 | 58,174 |
| | | Non-Supervisor | 456 | 15 | 30 | 161,230 |
| | Female | Supervisor | 84 | 3 | 28 | 34,770 |
| | | Non-Supervisor | 228 | 14 | 16 | 86,310 |
| BNP Paribas Cardif TCB Life Insurance | Male | Supervisor | 264 | 58 | 5 | 101,390 |
| | | Non-Supervisor | 1,122 | 185 | 6 | 305,538 |
| | Female | Supervisor | 244 | 45 | 5 | 154,422 |
| | | Non-Supervisor | 1,653 | 262 | 6 | 546,999 |
| Taiwan Cooperative Securities Investment Trust | Male | Supervisor | 103 | 7 | 15 | 23,690 |
| | | Non-Supervisor | 99 | 10 | 10 | 22,770 |
| | Female | Supervisor | 41 | 5 | 8 | 9,430 |
| | | Non-Supervisor | 114 | 10 | 11 | 26,220 |

Innovation Brainstorming Camp

In order to create an innovative corporate culture, the TCFHC Group has already hold an annual "Innovation Brainstorming Camp" for three consecutive years since 2018, hoping to inspire staff to generate innovative and creative ideas for business development, upgrade of system and platform, and optimization of operational procedure. As of the end of 2020, there had seen more than 160 proposals, or 80% of the total raised proposals being implemented including "Golden Coins" collection and exchange program that links with financial products and service provided across the Group. Also, in response to the development of "Open Banking", TCFHC's bank subsidiary – Taiwan Cooperative Bank has actively engaged in the transition to the digital finance by integrating internal corporate banking data with external open data for undertaking comprehensive analysis of customer profile so as to raise the momentum for expanding corporate banking business.



3.3.2 Performance Evaluation

For inspiring employees unleashing potentials and reinforcing operational efficiency of the organization, TCFHC has set up a fair evaluation and rewarding system and has thereby engaged in both regular and irregular performance check subject to different duty natures. The performance evaluation is then taken as the reference for following improvement, rewarding, or punishment. In 2020, 99.07% of supervisors and 95.05% of non-supervisors had gone through performance evaluation.

The Company also strives to combine employee performance evaluation system with the objective of sustainable development, seeking to adopt a top-down performance management mechanism to strengthen the Group's sustainable governance, and to deepen employees' identifications with the sustainability of the enterprise. In 2020, the Company continued with the efforts of pushing for measures of reducing greenhouse gas emissions, energy consumption, and pollution, which are planned to be taken as an evaluation item for management performance that links with performance bonus granted. BNP TCB Life on the other hand, has rolled out a public interest passport which is used to collect bonus points in exchange for selected gifts, as an incentive to encourage staff to participate in public benefit activities.

3.3.3 Talent Recruitment

In order to accumulate human resources and improve competitiveness of the Company, the TCFHC Group has managed to recruit talents from various financial management backgrounds based on the business needs of different units through open recruitment, campus recruitment program, and academic collaborations. With these efforts, TCFHC hopes to expedite optimizing the manpower structure for making the entire organization younger. In 2020, despite of COVID-19 pandemic, TCFHC's bank subsidiary – Taiwan Cooperative Bank still carried out campus recruitment program through internet though, seeking to initiate direct dialogue with students so as to attract graduates who wish to enter the financial industry. In total, there were 2,136 participants attending these activities (including those who watched online). TCFHC has been granted, for 3 consecutive years (2019 – 2021), with excellence prize for being “the most desirable financial holding company to work with for fresh graduates from financial and insurance related study” under the “Insurance Dragon and Phoenix Award” hosted by RMI.

Realizing the importance of talent development and recruitment, Taiwan Cooperative Bank has rolled out a series of financial related courses through academic collaboration, each of which runs for 12 to 18 weeks and is lectured by senior staff who offers precious practical experience to interns that shall bridge to future employment. Also, during the internship, those who perform well and have passed the interview, shall be promoted to a permanent employee. Taking the interns who participated in the academic collaboration program in 2020 as an example, 77% of the interns chosen to stay with TCB, which effectively reduces training opportunity cost incurred by new employees' departure.



3.4 Occupational Safety and Health

TCFHC has endeavored to provide employees with a safe, healthy, and friendly workplace by emphasizing the management of healthy workplace on four aspects, namely “employee care, disaster prevention, enabling health, and full participation”. The health check scheme TCFHC has provided is superior to statutory level that includes inviting physician and nurses to provide onsite healthcare services, track the result of the health examination, and offer medical consultation. In addition to disseminating the concept of staying healthy and safe through a multitude of channels, TCFHC also invites vocational safety and healthcare specialists to give speeches. Furthermore, TCFHC has taken the initiative to make the concept of preventive medical care a reality by arranging staff to receive “Low Dose Computed Tomography (LCDT)” examination, a down-to-earth action that is taken to carefully guard the health of each and every employee. In 2020, Taiwan Cooperative Bank has obtained the certification of ISO 45001 occupational health and safety. Adopting the “Plan-Do-Check-Act (PDCA)” management structure, TCFHC is set to build a zero work accident, low risk, healthy and safe workplace.



3.4.1 Occupational Safety and Sanitation Committee

As part of the efforts to enhance safety and health of employees, Taiwan Cooperative Bank has set up an "Occupational Safety and Health Committee", which holds regular quarterly meeting with employees who consist of half of the all participants. Issues and topics discussed in the meeting include planning of occupational safety and sanitation management and educational training, safety and sanitation inspection, and health improvement and management. In 2020, major resolutions reached in the committee include pursuing the certification of ISO 45001 occupational safety and sanitation management system and obtaining the activation label of healthy workplace.

3.4.2 Occupational Safety Education and Training

In order to build a healthy and safe workplace with zero work accident and low risk, and ensure that all personnel are fully informed with occupational safety and sanitation regulations and the Group's safety maintenance operational mechanism, the TCFHC Group has set up "Guidelines for Safety and Sanitation Works" and "Guidelines for Handling Emergent Injury and Illness" to regulate operational standard on occupational safety and sanitation and principles of handling emergent accidents. In addition, with the occupational accident online registration system in place, the Group can be updated with more information on personnel's safety and sanitation. Taiwan Cooperative Bank also holds "Occupational Safety and Sanitation Affairs Class" and "Safety Protection Drill" every year, and conduct on-site inspection on all of the safety operations. In 2020, there was no fatal occupational accident taking place across the Group.

| Content of Training | Training Hours | Number of Training or Related Participants |
|--|----------------|--|
| Safety Protection Drill | 1,620 hours | 810 times |
| Safety Maintenance and Occupational Safety Operation Lecture | 3,576 hours | 596 participants |
| ISO 45001 Occupational Safety and Sanitation Management System | 174 hours | 29 participants |
| Prevention of Unlawful Infringement while Performing Duty Education and Training | 786 hours | 393 participants |

3.4.3 Building Healthy Workplace

Taiwan Cooperative Bank has been encouraging personnel to engage in self-health monitoring and management, and has therefore provided healthcare information and health enabling and consultation services whenever appropriate. In addition, in support of implementation of "Occupational Safety and Health Act", TCB has rolled out four 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 of employee's healthcare. The average occupational injury rate is 0.28% across the Group. In 2020, the 7 subsidiaries of TCFHC had all obtained "Healthy Workplace Activation Certification Label", an honored recognition that inspires TCFHC to continue to make the workplace safer, and more comfortable and friendly.



Medicare Information and Preventive Measures

The latest healthcare information is compiled and circulated on a monthly basis with a particular focus on hot topics to provide personnel with healthcare knowledge and information and pandemic responsive measures. Meanwhile, the designated unit also plan out relevant preventive measures to tackle potential risk at workplace subject to development of the pandemic.



Medicare Consultation and Healthcare Lecture

Taiwan Cooperative Bank has set up a first aid room that works with contracted specialist physician to provide regular medical consultation service to personnel. There is also an arrangement of physician visit to provide personnel either with onsite or online health consultations for personnel in different locations. In 2020, there were in total 132 physician visits being made with a total service hours of 360. Taiwan Cooperative Bank also continues to organize "TCB Health Class" events which were touring around Taiwan in 7 different periods themed on "Easy Breath with Lung" and "Farewell to Smoking". The series of the event attracted a total of 844 participants with a total length of class reaching 25,320 hours, which has successfully arouse the health consciousness among personnel that would in turn everyone safeguard the health of oneself.



Maternity Care at Workplace

In order to better the maternity health protection measures, the TCFHC Group has provided independent and private lactation space that allows working mothers in the company being able to collect and store breast milk in a safe environment. Taiwan Cooperative Bank has been certified by Taipei City Government with label for the excellence of the lactation room. Meanwhile, the TCFHC has introduced a maternity health protection program, which is devised to provide work hazard investigation and medical consultation so as to enhance occupational care services and therapy.



Influenza Vaccination Service

Taiwan Cooperative Bank has been greatly concerned with health and welfare of employees, for which a variety of employee healthcare programs have been rolled out including provision of an in-house influenza vaccination service and related subsidy program to encourage personnel receiving influenza vaccine so as to enhance immunity. In 2020, the recipient coverage of subsidy has been expanded to personnel between 50 and 60 years old with an increase of more than NT\$6 million subsidy to be allotted compared to a year ago. The effort has been recognized by Taiwan Immunization Vision and Strategy with the issuance of the "Epidemic Prevention Guardian" certification.



Employee Assistance Program

BNP Paribas Cardif TCB Life Insurance began to introduce employee assistance program in 2017, which provides a 360 degree physical and mental balance as well as psychological counselling services aiming to assist employees to solve problems both on jobs and lives and maintain a balance between family and work. In 2020, there was no staff requesting for such a service.



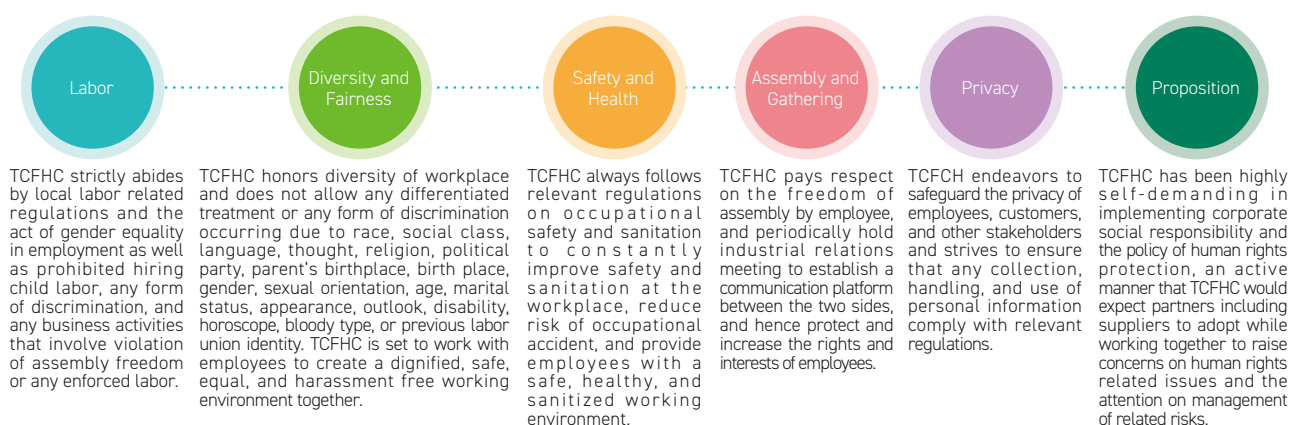
3.5 Human Rights and Equity

In order to ensure each and every employee to be equally treated, TCFHC has taken "Universal Declaration of Human Rights", "United Nations Global Compact", and "International Labor Convention" as the basis to draft "Human Rights Policy" to express the determination of maintaining and guarding basic human rights as well as to shoulder the responsibility of respecting and protecting human rights. In addition, the TCFHC Group always abides by local labor related regulations and act of gender equality in employment wherever the operation is located, as well as avoids occurrence of differentiated treatment or any form of discrimination so as to ensure and better the variety and fairness of the workplace.

The TCFHC Group has set up a well communicated channel and measures for prevention of and making appeal on sexual harassment which include an independent investigation mechanism to protect the rights and privacy of the victim and the arrangement of education and training courses on gender equality and human rights. For supervisory employees, tailored management training courses are arranged in which internal management and handling of appeal case are both listed as key parts of such course, aiming to enhance employee's communication capability.

In 2020, there were 2 cases being appealed for sexual harassment and human rights violation, and both cases were closed after convening meetings of sexual harassment handling committee to reach settlement between the two sides. In 2020, there was no such case as hiring child labor, discrimination, violation of assembly freedom, or any coercion or enforced labor occurring in the TCFHC Group.

The Human Rights Policy of TCFHC



Updates on Implementation of Gender Equality and Human Rights Education and Trainings in TCFHC and Subsidiaries in 2020

| | Taiwan Cooperative Bank | Taiwan Cooperative Securities | Taiwan Cooperative Securities Investment Trust | Taiwan Cooperative Bills Finance |
|------------------------------------|-------------------------|-------------------------------|--|----------------------------------|
| Number of Staff Receiving Training | 905 | 790 | 9 | 2 |
| Total Training Hours | 10,022 | 1,183 | 9 | 4 |

3.5.1 Comprehensive Communications Channels for Industrial Relations

The TCFHC Group has set up a variety of communication channels for healthy industrial relations which ensures effective conveyance of employee's opinions by making voices of employees being heard and responded. Employees are able to communicate with the Company through labor union, Employee Welfare Committee, and industrial relation meeting, or other appealing channels. Also, the Company's management is willing to take the initiative to assist employees in solving problems at workplace so as to reduce the occurrence of employment conflict.

In order to protect rights and interests of employees and enable harmonious industrial relations, in 2019, the labor unions of both Taiwan Cooperative Bank and Taiwan Cooperative Securities had signed to renew collective bargaining agreements with each of their counterpart company based on the principle of integrity, hoping to create a win-win outcome for both sides.

Establishment of Labor Unions in TCFHC's Subsidiaries

| Company | Total Number of Employee | Number of Employee Joining Labor Union | Percentage of Employee Joining Labor Union | Collective Bargaining Agreement Renewing Date |
|-------------------------------|--------------------------|--|--|---|
| Taiwan Cooperative Bank | 8,399 ^(Note) | 8,289 | 98.69% | November 6, 2019 |
| Taiwan Cooperative Securities | 398 | 342 | 85.93% | December 10, 2019 |

Note: There were in total 8,635 employees working in Taiwan Cooperative Bank at the end of 2020, which is 236 more employees than the figure 8,399 marked here. Of the 236 employees, 4 were temporary workers and 232 were not hired in Taiwan who were not entitled to join the labor union.

2020 Sustainability Achievements

Taiwan Cooperative Holdings

Environmental Sustainability



Faced with the influence caused by global warming and climate change, TCFHC has wielded influence in financial industry to push ahead with sustainable finance, deepen climate risk management, fulfill commitment to environmental sustainability, and reduce negative impact on environment driven by business operations. In addition, the Company has brought in international standard management system aiming to achieve the objective of resources management and reduction in plastics, waste, and carbon dioxide so as to enhance operational resilience in tackling environmental changes.

TCFHC has made commitment to accomplishing proposition of Carbon Disclosure Project (CDP) by the end of 2021, and to following the guideline framework and objective of Task Force on Climate-related Financial Disclosures (TCFD) it has signed to support in 2020, to disclose actions that the Group has undertaken in response to climate risk and opportunity.

4.1 Management of Climate Change Risk

4.1.1 Climate Related Financial Disclosures

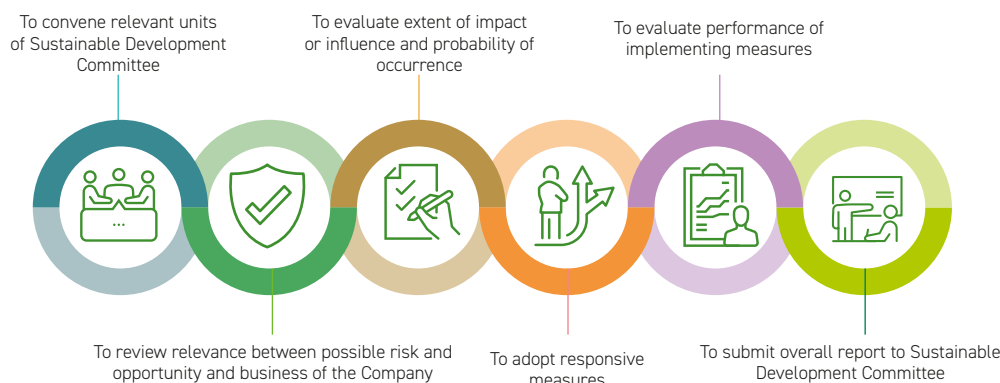
Echoing with United Nation's Sustainable Development Goals (SDGs) to deepen climate change governance, in the 4th quarter of 2020, TCFHC has signed to support "Task Force On Climate-related Financial Disclosures (TCFD)" published by Financial Stability Board (FSB). In addition, an internal task force under Sustainable Development Committee was set up with members from different subsidiaries' departments across the entire Group to participate including those of credit, investment, digital finance, and risk management. Based on the core factors of TCFD including "governance", "strategy", "risk management", and "index and objective", TCFHC has set to disclose information regarding the Group's reaction towards climate change and to have relevant units to set up climate risk management index for measuring relevant performance.

| Core Elements | Description | Action |
|---------------------|---|--|
| Governance | The Sustainable Development Committee, which is overseen by the Board of Directors, is the major responsible unit containing different task forces to co-manage climate related issues subject to each of their respective duties | TCFHC's "Sustainable Development Committee" is convened by the chairman of the Company with members including TCFHC and each of the subsidiary's presidents. Under the committee, there are 6 units being set up to cover different tasks including corporate governance, commitment to customers, sustainable finance, employee care, environmental sustainability, and social inclusion. A TCFD task force has also been set up under the sustainable finance unit, which reviews operations and achievement rate of objective through different meetings, and then have the results reported to members of the committee. |
| Strategy | The possible impact on the Company's business by potential climate-related risk and opportunity and responsive strategy | TCFHC has managed to identify physical and transition risks as well as opportunity by looking into business type and operational performance, so as to implement environmental policy, green procurement, and green building, in addition to introducing equator principles to assist the government in promulgating green industry policy that includes renewable energy, development of energy technology, reduction of greenhouse gas emission, and conservation, cleanness, recycle and reuse of water resources. Of scenario analysis for evaluating climate related impact introduced in 2021, physical risk has adopted RCP8.5 scenario whereas transition risk adopts STEPS scenario. |
| Risk Management | The procedure of Identifying and evaluating climate related risk | TCFD task force under the sustainable finance unit is responsible for coordinating departmental interviews and distribution of questionnaire by which the task force expects to understand possibility of occurrence and extent of impact on the Group if any of the climate related accident takes place. The task force is also entrusted to convene meetings among relevant units to analyze potential risk and opportunity for business activities brought by climate changes, and to submit reports on responsive measures and strategy to the Committee. |
| Index and Objective | Setting up and manage index of climate related risk and opportunity | TCFHC has been supporting the government in achieving the goal of reducing greenhouse gas emission, for which the method of indexation has been adopted to manage climate change related risk and opportunity. For details, please refer to the chapter on Environmental Sustainability. |

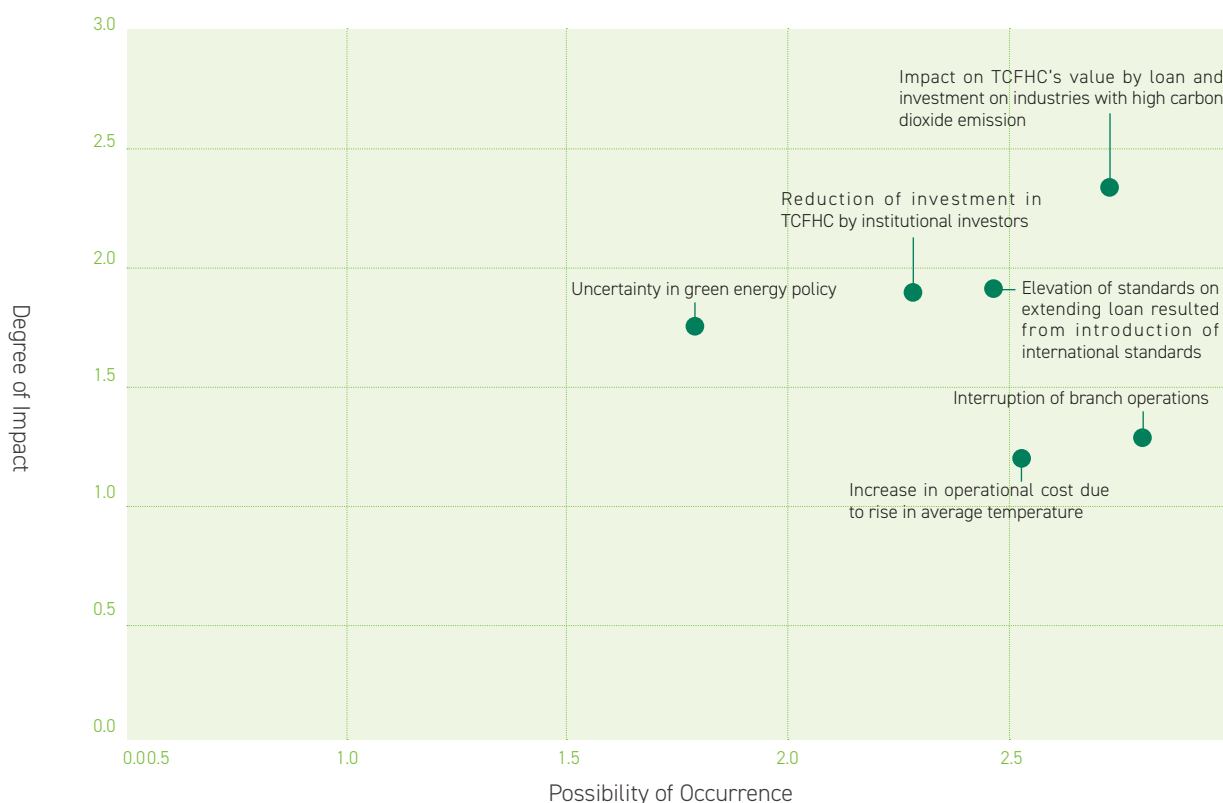
4.1.2 Risk and Opportunity Brought by Climate Change

TCFD task force under the sustainable finance unit is responsible for coordinating departmental interviews across different subsidiaries and distribution of questionnaires by which TCFD task force expects to understand possibility of occurrence and extent of impact on the Group if any of the climate related accident takes place. The task force is also entrusted to convene meetings among relevant units to analyze potential risk and opportunity for business activities brought by climate changes, and to submit reports on responsive measures and strategy to the Committee.

Major Procedure of Identifying Climate Change Related Risk and Opportunity



According to identification procedure as aforementioned, there are 6 items of major climate change related risks that the Group might face including "influence over the Group's value resulted from loan offered to and investment on the industry with high carbon dioxide emission", "elevation of criteria on extending credit with introduction of international standards", "reduction of investment on the Company by institutional investors", "uncertainty in green energy policy", "interruption of branch operations", and "increase in operational cost due to rise of average temperature".



Note: Figures in the matrix are provided simply for showing relative comparison and position without any connotation of direct comparison.

Opportunities related to climate change, on the other hand, include "provision of green energy loan through collaboration with government agency", "stablishing funding sources from international investment institutions", "increasing approachability by pushing for online service", and "introduction of green consumption financial products". For relevant actions, please refer to the chapters of "Customer Care" and "Green Operations".

| Type | Risk/Opportunity Factor | Influence Over the Group's Business Operation |
|------|---|---|
| Risk | Influence over the Group's value resulted from loan offered to and investment on the industry with high carbon dioxide emission | Under the international trend of carbon neutrality with increasing demand for energy saving and reduction of carbon dioxide emission, industries with high carbon dioxide emission (e.g. petrochemical or cement industry) have encountered stricter regulatory requirements such as the request of replacement of production procedure or paying carbon tax if not meeting standards, or even being banned from exporting to EU if failing to meet EU's regulatory requirements, an unfavorable situation that will affect operation and profitability. As a consequence, if the credit line the Group offers was too high, then the Group would face a rising credit risk. Likewise, if the Group's investment on these enterprises was too high, then the return of such investment would be affected. |

| Type | Risk/Opportunity Factor | Influence Over the Group's Business Operation |
|-------------|--|--|
| Risk | Elevation of criteria on extending credit with introduction of international standards | The concern over influence on the environment and society caused by loan from financial industry (e.g. Equator Principles, Principles for Responsible Investment, and Principles for Responsible Banking) has been increasing internationally. Adopting the type of principles may raise loan threshold for customers, which in turn may affect the willingness of customers banking with the Group. |
| | Reduction of investment on the Company by the institutional investors. | International investment institutions have already listed ESG performance of investment target as an evaluation item for making continuous investment. Targets with inferior ESG performance may bring down the willingness of investment by international investment institutions. |
| | Uncertainty in green energy policy | Despite of a variety of measures being introduced including creating incentives to install solar power panels and legally forcing high electricity consumption users to install renewable energy facilities, there are, however, quite a few uncertainties existing among domestic energy policy. The uncertainty on support or subsidy to green industries by local government may affect the willingness of people or enterprises to take part in, which in turn would affect the Group in the planning of loan and credit policy. |
| | Interruption of branch operations | Recent increase in accidents of storm and torrential rains will bring physical operational location with flooding risk including rise in maintenance cost of information facility and cleaning expense, and even impact of short-term interruption of operations. |
| | Increase in the Company's operational cost due to the rise in average temperature | In recent years, average domestic temperature has gradually risen as a result of increasing occurrence of extreme weather condition. According to research, if average temperature rises by 1 degree Celsius, expense of air condition will increase by 6%. It suggests that if average temperature continues to rise, then operational cost of the Group will increase. |
| Opportunity | Provision of green energy loan through collaboration with government agency | In order to encourage engagement of renewable energy, domestic financial institutions have subsequently sought to collaborate with local governments to roll out green energy related financial products that provide the fund enterprises need for developing green energy (mainly solar photovoltaic power) and to establish a green industry loan platform to help speeding up installation of solar photovoltaic facility. |
| | Attracting funding from international investment institutions | ESG performance has become one of evaluation items in selecting investment targets adopted by international investment institutions. If a financial institution has shown remarkable performance in ESG, it would help attract attention from overseas institutional investors. These evaluation items include if being selected as a constituent of Dow Jones Sustainable Index, joining CDP rating, and if making public disclosures on TCFD related indicators. |
| | Increasing the approachability by engaging in online service | With easier access to financial information and more diverse financial product, financial consumers are enabled to deal with more financial institutions at the same time. Online services as provided allow customers to alleviate from hassles of queuing for counter services and thereby increase approachability and indirectly reduce use of paper document and thus impact on environment, which will help increase brand image and indirectly business turnover. |
| | Introduction of green consumption financial product | Given that carbon dioxide emission and environmental protection has become concerned issues in the society, some customers may take the type of concern as a factor in deciding which financial institution to deal with. For instance, introduction of green building mortgage and issuance of low carbon dioxide credit card may be helpful in raising positive brand image of the Group among customers, which in turn may help increase overall business turnover indirectly. |

4.1.3 Physical and Transition Risks Related to Climate Change

The TCFHC Group has brought in an scenario analysis method for conducting risk evaluation since 2021, with which RCP 8.5 scenario is adopted for measuring physical risk, whereas stated policies scenario (STEPS) developed by International Energy Agency (IEA) is adopted for analyzing transition risk. Such an adoption has followed disclosure recommendations on "scenario selection for physical risk simulation", "scenario selection for transition risk simulation", "evaluation of physical risk", and "evaluation of transition risk" as raised in "Guidelines of Climate Related Financial Disclosures for Taiwan's Banking Industry" published by the Banker Association of the Republic of China in March 2021.

4.1.3.1 Physical Risk of Climate Change

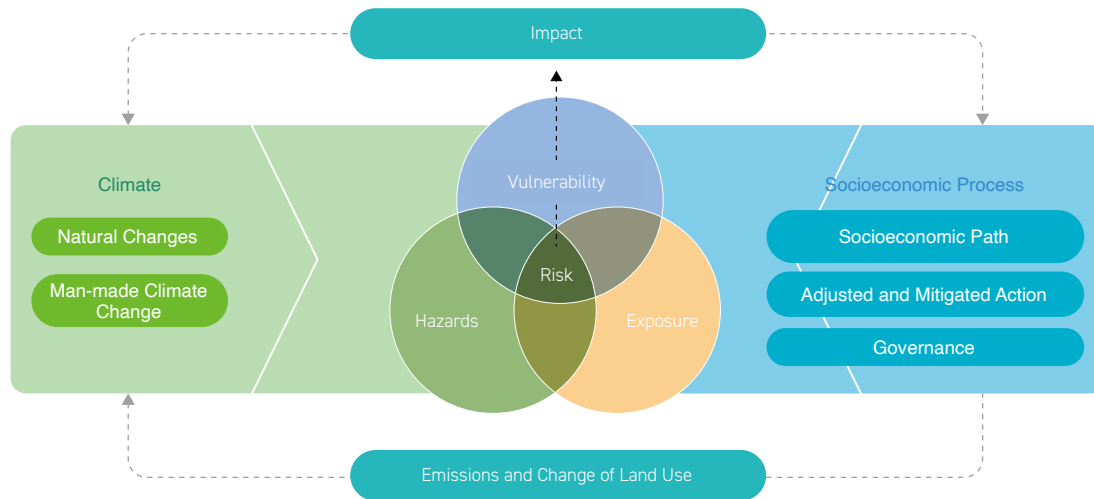
Physical Risk Evaluation – Influence of Flooding on Domestic Real Estate Collateral

The TCFHC Group has adopted high emissions scenario of RCP8.5 and analysis of flooding risk evaluation undertaken by Taiwan National Science and Technology Center for Disaster Reduction (NCDR) to accomplish impact analysis of the top 50 appraised real estate collaterals by value, which has identified 6 locations exposed to higher flooding risk in the years between 2081 and 2100 by looking into locations of those real estates that contain higher flooding vulnerability and degree of dangerousness.

The evaluation then goes on to analyze price change by looking registered property price in region based on a study that when flooding probability rises by 1%, average price in that particular region falls by 0.023%. The result shows that there has no significant influence incurred to the 6 locations.

Physical Risk Evaluation – Influence of Flooding on Domestic Bank Branch

A similar evaluation conducted for the 270 branches across Taiwan have been accomplished which also adopts analysis of flooding risk evaluation by NCDR to identify 9 branch locations exposed to higher flooding risk in the years between 2081 and 2100 by analyzing vulnerability and hazards exposed to all of branch locations on flooding. The evaluation on the potential influence of value has, however, shown that there is no significant influence. The Company is working to sketch out proper measures to tackle flooding risk.



4.1.3.2 Transition Risk of Climate Change

Evaluation of Transition Risk – Credit Risk Involved in Carbon Payment by Loan Recipient

The competent authority is working on revision of "Act of the Reduction and Management of Greenhouse Gas", which is planned to have the mechanism of levying greenhouse gas reduction fee (carbon fee) brought in, one that would make those enterprises listed as "the first batch emission sources that shall be inspected and registered for greenhouse gas emitted" by Environmental Protection Administration in 2019. In order to find out possible credit risk that carbon fee levy may bring about, TCFHC has selected 9 different industries to be analyzed and evaluated, in which carbon fee has been counted as loan recipient's operating cost in the evaluation model to work out expected loss amount of 33 companies being studied. The result showed that expected loss would increase slightly but bore no significant impact. In further evaluations that follow, different carbon fee scenarios (e.g. carbon price in China Beijing Environment Exchange (CBEE), or carbon price in EU Emissions Trading System) would be evaluated as well to find out extend of influence on loan recipient's credit risk.

Scenario Analysis

Firms that are listed as the first batch emission sources to be inspected and registered for greenhouse gas emissions, shall register with national greenhouse gas registration platform of Environmental Protection Administration and take such a registration as the controlled base level for following efforts on reducing greenhouse gas to compare with. Once a firm is levied with carbon fee, the operating cost of the firm will thus increase, or its investment cost will increase to affect profitability if the firm opts to replace related facilities for reducing the emissions. Therefore, the TCFHC Group will firstly look into loan positions of these firms so that the Group is able to respond in time if the carbon fee is levied.

4.2 Green Operations

Faced with environmental risk triggered by climate change, TCFHC has been supporting climate action, the 13th item of United Nation's Sustainable Development Goals (SDGs) to turn green operations a reality by endeavoring on its five aspects including "management of carbon reduction", "management of energy and resources", "management of waste", "green building", and "green actions". Meanwhile, TCFHC has established a cross-subsidiary Environmental Sustainability task force, which convenes regular meetings every year to discuss environment and energy related objectives and performance, seeking to take advantage of vertical integration to let environmental protection taking roots so as to mitigate and sooth the influence that climate changes have brought.

4.2.1 Management of Carbon Reduction

The TCFHC Group has striven to internalize strategy of mitigating greenhouse gas emissions in its operational management effectively. In 2020, TCFHC and its subsidiaries all passed the certification of "ISO 14064 Greenhouse Gas Emissions Inspection" and continued to follow ISO 14064 standards to conduct inspection regularly every year so as to keep updated with the latest status of greenhouse gas emissions for seeking further improvement. In 2021 locations and scope of inspection have been expanded along with introduction of ISO14064: 2018.

In addition, as part of the efforts to enforce carbon reduction management, the TCFHC Group has been encouraging employees to use public transportations for commuting and business trip instead of cars. As for company car and video conference, in 2020, TCFHC leased a total of 17 fuel efficient company vehicles for business use and held 184 video conferences, which in total has helped reducing carbon dioxide emissions of 723,286kg, a carbon absorbing amount equivalent of those of 1.85 Daan Forest Park.

Total Amount of Greenhouse Gas Emissions by TCFHC Group in 2020

Unit: KgCO₂e

| | Scope 1 | Scope 2 |
|-------------------------|---------|-----------|
| Greenhouse Gas Emission | 398,204 | 7,255,784 |

Note 1: Calculation is based on 2019 electricity carbon emission coefficient set by Bureau of Energy, Ministry of Economic Affairs.

Note 2: Locations for inspection include head offices of Taiwan Cooperative Bank, BNP Paribas Cardif TCB Life Insurance, Taiwan Cooperative Securities, Taiwan Cooperative Bills Finance, Taiwan Cooperative Securities Investment Trust, Taiwan Cooperative Venture Capital, and Co-operative Assets Management and working stations of TCB's Information Departments in Northern, Central and Southern Taiwan. As for inspections under Scope 3, related information will be disclosed in the 2021 Sustainability Report.

4.2.2 Management of Energy and Resources

In order to manage energy and resources effectively, in addition to wielding influence in financial industry for supporting the government's green energy developmental policy, TCFHC has set up an internal "Energy Policy", which is taken as the basis to roll out various energy saving and carbon reduction programs. In 2020, all of the TCFHC subsidiaries have brought in both "ISO 50001 Energy Management System" and "ISO 14001 Environment Management System" to tap into the improvement cycle of "Plan-Do-Check-Act" for both keeping updated with energy use status and set up energy management goal so as to reduce greenhouse gas emissions.




In addition, from the perspective of developing new energy, a solar panel power generating system has been set up in the building of Taiwan Cooperative Bank Head Office, which is able to generate 27,759kw/h electricity and reduce carbon emissions by 14,129kg.

| | 2018 | 2019 | 2020 (Group) |
|---------------------------------|------------|------------|--------------|
| Purchased Electricity (kw/h) | 43,209,222 | 43,768,210 | 46,643,771 |
| Water Consumption (1,000 liter) | 266,125 | 263,857 | 307,569 |
| Fuel Consumption (liter) | 356,869 | 340,516 | 395,495 |

Note 1: Calculation is based on 2019 electricity carbon emission coefficient set by Bureau of Energy, Ministry of Economic Affairs.

Note 2: For 2018 and 2019's, only data from Taiwan Cooperative Bank were provided. Since 2020, the kind of information from BNP Paribas Cardif TCB Life Insurance, Taiwan Cooperative Securities, Taiwan Cooperative Bills Finance, Taiwan Cooperative Securities Investment Trust, Taiwan Cooperative Venture Capital, and Co-operative Assets Management have been incorporated in.

Note 3: In 2020, due to the influence of pandemic that has raised frequency of sanitation and cleaning, the amount of purchased electricity, water consumption, and fuel consumption have thereby increased.

| Energy and Resources | Management Plan | Refinement Plan |
|--|--|---|
|  <p>Water</p> | <ul style="list-style-type: none"> Estimating relevant figures across the Group in 2020 and taking the data as the base for measurement. Adopting rainwater recycling system to make water resources to be efficiently reused. Water use facilities have all been installed with water saving devices such as censored water tap and water spreader with timer for horticultural use. Adopting drip irrigation system as the water sprayer system, which comes with a feature of rainy day closure so as to ensure achieving the objective of water saving. Facilities adopted all come with water saving labels. Coaching employees in the water saving measures through different gathering as well as posting water saving leaflets so as to achieve goals of water use reduction. | <ul style="list-style-type: none"> A water use reduction standard has been set up since 2021, which requires annual water consumption to be 10,000,000 liters less compared to that of the base year. |
|  <p>Fuel</p> | <ul style="list-style-type: none"> Estimating relevant figures across the Group in 2020 and taking the data as the base for measurement. Purchasing electricity powered scooters to replace fossil fuel powered motorcycles for business use of TCB's head office. Leasing company cars with higher fuel efficiency for branches to use. Encouraging ride sharing or use of public transportations when employees going on long distance business trips. | <ul style="list-style-type: none"> A standard for reduction in use of fuel has been set up since 2021, which demands a yearly reduction of at least 10,000 liter fuel consumption compared to the base year. |
|  <p>Electricity</p> | <ul style="list-style-type: none"> Estimating relevant figures across the Group in 2020 and taking the data as the base for measurement. Having the temperature set at 26°C - 28°C and performing regular clean and maintenance of air condition system to maintain mechanical service life and cooling effect. Having the light switched off during the 1.5 hours of lunch break for backend units. Managing facilities or equipment that require large electricity consumption such as elevator, lighting, and air conditioning, in which LED lamps T5-fluorescent tube with green label, and timers are adopted. Having light of shop signs on every office buildings and business units automatically switched off at 10pm. Promoting taking stairs and skipping elevators within 3 floors. Setting hibernate mode for water dispenser during off-peak hours. | <ul style="list-style-type: none"> Reasons of failing to achieve previous set target but increasing use of electricity by 605,530 kw/h are as the follows: <ol style="list-style-type: none"> Longer hours of air conditioner running due to higher average temperature. Increase in electricity use in office area due to business expansion. To notify units that fail to meet all of the requirements to engage in improvement so as to achieve the goal of environmental sustainability. |

4.2.3 Waste Management

In order to reduce impact on the environment and achieve objective of sustainable use of resources, TCFHC has formulated measures for waste management by adopting a 3Rs – reduce, recycle, and reuse environmental policies so as to raise efficiency and benefit of waste recycling. In 2020, there were in total 238,883 kg waste being generated. The year 2020 is taken as the base year for setting yearly waste reduction target rate of 2% between 2022 and 2026.

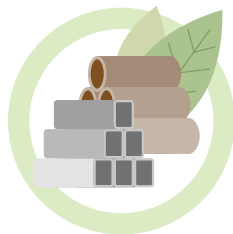
As for resources recycling, in 2020, paper recycling amount was 162,078 kg (equivalent of 3,890 trees), which plus other types of waste (plastic bottle, iron can, and aluminum can) weighted as 43,369 kg, has made the total weight of recycled resources reaching 205,447kg. Taking 2020 as the base year, it is targeted to maintain at least 1% annual increase rate of recycling resources for the years to come.

4.2.4 Green Building

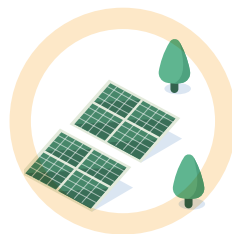
Taking “green operations, friendly environment” as the goal in pursuing low carbon operations and environmental sustainability, the head office building of Taiwan Cooperative Bank was designed and constructed by following 4 green building scopes of “ecology, energy saving, waste reduction, and health” to have various environmental and energy saving design incorporated into. In 2020, the building continued to receive silver label green building certification from Ministry of Interior.



Green building design
of TCB Head Office
Building



Adopting green
materials for exterior
construction



Installing solar power
panel



Installing rainwater
recycling system for
plant irrigation

4.2.5 Green Action

Enhancing Environmental Education

The influence of climate change has made water resources and oceanic ecology heating issues, propelling the TCFHC Group to raise awareness among employees of earth sustainability and environmental protection and to engage in real actions of environmental protection to achieve various targets on energy saving and carbon reduction. In 2020, TCFHC hosted an educational seminar with both physical and visual attendance. The seminar invited Society of Wilderness to deliver a speech titled with “Discovering the Beauty of Wet Land” to explain interactions amongst human activities, climate change, and ecological environment, which had successfully attracted 395 people to attend.

Signing on Environmental Proposition

Inasmuch as river water a precious resource, Taiwan Cooperative Bank has signed on “Tamsui River Convention” launched by the Commonwealth magazine to make commitment to relevant undertakings as part of the bank’s efforts in pushing for sustainable development of Taiwan’s rivers. On the other hand, TCB has implemented green procurement, placing procurement priority on products certified with environmental protection label, energy label, water saving label, and green building material label, as well as urged suppliers to implement environmental sustainability.



Being Friendly to the Earth by Promoting Low Carbon Diet

In order to encourage employee to opt for low carbon diet and reduce carbon footprint, the TCFHC Group has been promoting "TCFHC Group's Vegetarian Day", the first day of each month, since 2019, and has encouraged employees to bring their own utensils instead of using plastic alternative so as to relieve burden on the earth. In 2020, the spirit of pursuing sustainability has continued to flourish in which the Group's vegetarian day has been expanded to twice a month, by which it is hoped to achieve the dual goals of staying healthy oneself and staying friendly towards the earth. In 2020, there had been in total 30,791 participants joining the activities, whose efforts have in total reduced carbon emissions of 2,340kgCO₂e.

4.3 Green Procurement and Supplier Management

The TCFHC Group has been standing by the government's green procurement policy, promoting sustainable supplier management, and seeking to work with suppliers to realize environmental sustainability.

4.3.1 Green Procurement

In order to carry through green procurement, while engaging in procurement, the TCFHC Group has always placed priority on products certified with labels such as environmental protection label, energy saving, and water saving, and so do refurbish works that mainly adopt green materials to reduce impact on environment. In 2020, the total green procurement amounted NT\$95,230,000, an effort that has been recognized by Taipei City Government's Department of Environmental Protection, which granted a letter of gratitude for meeting "Private Enterprise and Groups Green Procurement Plan."



| Item of Procurement | Models with Environmental Protection Certification | Amount of Procurement |
|------------------------------------|--|---|
| Information Equipment | Certification of environmental protection label | NT\$93,995,000 |
| Commercial Air Conditioning System | Model with EPA approved refrigerant | NT\$29,901,900 |
| Split type/Window air conditioner | Inverter driven energy saving label | NT\$1,240,000 |
| Paper | | 63,425 kg |
| Toilet paper/ Tissue | Products labeled with FSC, PEFC, or production procedure with zero tree down | 9,228 bags of toilet paper roll with total expense of NT\$667,000 738 boxes of environment friendly tissue paper with total expense of NT\$332,000 |
| Lighting Equipment | LED light bulb with energy saving label | Installing energy saving labeled LED light bulb in all lighting equipment with an achievement rate of 100% |

4.3.2 Supplier Management

The TCFHC Group has continuously pushed ahead with supplier management policy, requesting suppliers not just to sign on "Letter of Commitment to the Environmental Sustainability Clause" but also to have a corporate social responsibility clause added into the procurement contract that specifies supplier to abide by regulations on labor rights and interests, human rights, labor health and safety, environmental protection, and business integrity and ethics, so as to enable supplier management taking roots. In 2020, the achievement rate of requesting domestic suppliers to sign on "Letter of Commitment to Environmental Sustainability Clause" for procurement amount more than NT\$1 million was 100%.

Supplier Management Policy

| Aspect | Policy |
|------------------------------|--|
| Labor and Human Rights | <ul style="list-style-type: none"> Supplier shall abide by domestic labor regulations, protect employee's legal rights and benefits from unlawful infringement, and respect basic human rights of labor recognized universally, and shall not forcibly hire, lay off, or engage in any misconduct that shall harm labor's rights. Supplier shall provide employees with a safe, healthy, and comfortable working environment, and shall abide by relevant regulations governing labor's occupational safety and sanitation. |
| Business Integrity | <ul style="list-style-type: none"> Based on the principle of business integrity, supplier shall engage in business activities through fair and transparent approaches. Supplier, while engaging in commercial activities, shall not directly or indirectly provide, promise, demand, or receive any illegitimate interest and benefits, or conduct any unethical behaviors that are unlawful, violate integrity, or abandon the entrusted compulsory for securing or maintaining interests or benefits. |
| Environmental Sustainability | <ul style="list-style-type: none"> While engaging in the business, the material that supplier uses shall be acquired with the principle of protecting natural resources. The recycled or repeatedly used material shall be adopted with priority if these materials meet quality requirements, so as to reduce negative impact on the environment and avoid use of the material that may harm the environment. Supplier shall set up concrete environmental protection and energy saving measures to avoid any major negative impact on the environment or any violations of environmental protection related regulations. In addition, supplier shall create a corporate culture that could effectively carry through environmentally sustainable development to fulfill commitments of whole heartily love to the earth, cherishing resources, and materializing environmental protection and energy saving. |

2020 Sustainability Achievements

Taiwan Cooperative Holdings

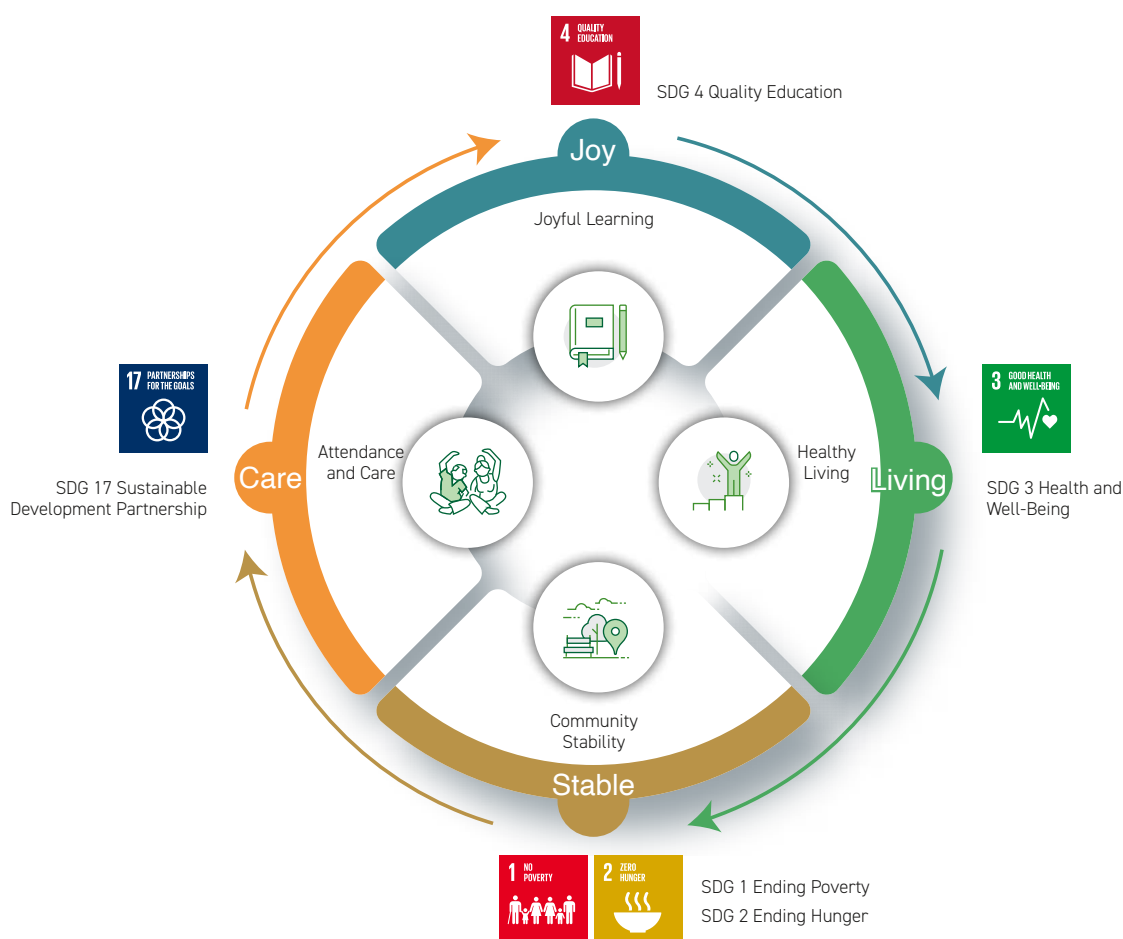
Public Interests



With the corporate spirit of sustainable development, TCFHC has been adaptive to environmental and social structural transformation by continuously monitoring the impact as well as business opportunity brought by the aging society. By looking into four aspects as raised – “Joyful Learning”, “Healthy Living”, “Community Stability”, and “Attendance and Care”, TCFHC has actively utilized its core financial competence to roll out an array of innovative products to help coping social and environmental issues. Meanwhile, TCFHC has worked to integrate the Group's resources and thus maximize its influence on the society, which would help enterprises fulfilling their social responsibilities.

In addition, taking from humanity, we encourage colleagues to take part in various types of charity activities in different ways, which will help forging consciousness of social citizenship. TCFHC has set up “Guidelines for Undertaking Volunteering Services” in 2021, by which TCFHC Chairman has shouldered the leadership of TCFHC volunteer corps to help establishing a corporate culture on charity undertakings from top to bottom, disseminating the idea of “give and take” to each and every one in the company. Some of the TCFHC subsidiaries have started planning on the arrangement of “charity activity leave” as well as “charity passport” as a way to encourage employees to participate in philanthropic activities.

TCFHC Group's Concept of Public Interests for the Society



5.1 Joyful Learning

TCFHC is fully aware of the importance of education to the advance of the society and that talent development is one of the key momentums driving enterprises to pursue sustainable development. For years, the TCFHC Group has sought to work with different communities, schools, and government agencies, striving to let every children have equal opportunity of receiving education and social resources by pulling supports in education and academic research, in addition to efforts of enabling the idea of inclusive financing taking roots so as to equip the general public with common financial knowledge and wealth management concept.

5.1.1 Incentives for Learning

In order to help young students from minority families successfully accomplish the required study and gain financial knowledge, Taiwan Cooperative Bank has been actively taken a role in "Taiwan Financial Industry Education Charity Fund", which was launched by Taiwan Financial Services Roundtable with donation of fund from different financial units and financial institutional members. The fund provides NT\$100 million as scholarship and subsidy every year to help young students from financial incapable or minority families to accomplish their studies as well as to organize financial education courses. From 2015 to 2020, there had been in total 9,930 young students benefiting from this funding.

Taiwan Cooperative Bank has provided research scholarship for more than 50 years since 1968 to encourage both undergraduate and postgraduate students to engage in the research of finance and economics related issues. It does not only represent a long-term effort in assisting schools in nurturing excellent talents, but also is taken as a reference by the bank for recruiting new staff. 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, Taiwan Cooperative Bank has granted scholarship to well-performed current students or children of the schools' teachers or staff in related schools.



5.1.2 Financial Knowledge Seeding

In support of Financial Supervisory Commission's policy, Taiwan Cooperative Bank has launched a promotional campaign titled "learning financial knowledges in campus and community" to help people gain accurate financial knowledge and establish proper wealth and debt management concept by dispatching internal professional lecturers to different places offering professional classes. The campaign has been highly approved by Financial Supervisory Commission and has attracted participants from a wide range of backgrounds including elementary schools, junior high schools, senior high schools, colleges and universities, as well as local communities, women groups, aboriginals, new immigrants, senior citizens, disabled, military, correction institutions, and social welfare group, a catch all effort that help create friendly financial consumption environment. In 2020, there had been 42 the type of activity being held across Taiwan.

In addition, the TCFHC Group has arranged to hold a series of wealth management lectures covering a variety of issues, to assist customers in acquiring both tangible and intangible wealth through these invaluable lectures that are usually themed on LOHAS and Systematic Investment Plan (SIP) interlaced with courses on new health knowledge and arts exhibition.



More than **250** sessions were held.

As many as **10,000** people have participated.



5.1.3 Minority Empowerment

Taiwan Cooperative Securities has collaborated with two non-profit organizations, IPower and Teach for Taiwan, to make substantive contributions to educations in remote area, narrowing geographical gap, and improving learning environment of remote locations where educational resources are relatively insufficient. In order to help schools better educational environments, an experimental education method is introduced to guide children through four steps "feeling, imaging, practicing, and sharing" to create sensational learning, which is expected to stimulate children's self-confidence and creativity. TCS has also worked with Aboriginal Tribe Rebuilding Foundation to help the growth of aboriginal children and teenagers in Tamali area of Taitung by offering courses on music, aboriginal language and English, hoping to let these children and teenagers develop diversified skills and self-confidence in a cultural and artistic environment, so as to increase both their awareness of traditional culture and expand their international visions.

School dropouts and teenagers from high risk families are issues that have also been highly concerned by Taiwan Cooperative Securities. In 2020, TCS worked hand in hand with Bornanew Youth Cares Association to plunge into caring actions for high risks involved teenagers by strengthening primary prevention and holding events suitable for participations of teenagers and children so as to pull back those families and teenagers who are on the brink of risk from the predicament.

TCSIT realized that many minority groups have been badly affected by the pandemic. Holding an altruism spirit, in 2020, TCSIT made financial donations to "White Kite Orphanage", "Taipei Music Foundation for the Visually Impaired", and "Da-Keng Elementary School in Taoyuan City", hoping to help those who are in need for living and education.



5.1.4 Industry – School Collaborations

In order to increase the extent in looking after youth from economically inferior families, TCFHC has been backing up "Economically Independent Youth Internship Program" initiated by Youth Development Administration of Ministry of Education since 2011, to offer internship opportunity to those students with inferior economic background so that they can work in a safe and well-protected environment to learn to gain economic independence.

2011 → 2021



Economically
Independent Youth
Internship Program



Offering **500** Internship Opportunities

5.1.5 Happy Living and Secure Caring

In order to let senior citizens enjoy secured and caring lives and be able to plan for retirement lives in advance, Taiwan Cooperative Bank, the No. 1 bank in retirement life arrangements, has constantly provided all around financial products and services to enable people to make early preparations for older age. In addition, two speech events titled "Creating a Riveting Life with Happy, Secured, and Caring Living" hosted by TCB in 2020 has greatly resonated with people who attended through interactive activities and expert's experience sharing that successfully delivered the idea of how a riveting life could be achieved.



The number of participants exceeded **800**

5.2 Healthy Living

The TCFHC Group has been sponsoring development of sports industry for a long time and has discovered and nurtured a myriad of rising young sports stars through subsequently forming table tennis team (in 1947), baseball team (in 1949), and badminton team (in 1992) with an annual average expense of approximately NT\$100 million. The expense is used 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 critical to enhancing competitiveness of Taiwan's sports teams in the world. TCFHC also strives to sow the seeds of sports down to every corner of the community by promoting and sponsoring various sports events in different levels of schools as well as hosting sports camps or charity sports events. In 2020, TCFHC continued to receive label of "Certification of Sports Enterprise" and "Sports Propeller Award" from the Sports Administration, Ministry of Education, for 12th time in a row.



5.2.1 Nurturing Sports Talents and Supporting Grassroots Sports

Sports is an important soft power that enables Taiwan to connect with the world. Sports stars of TCFHC have continued to deliver remarkable performance internationally in recent years including TAI Tzu-ying, World No. 1 in women's singles of badminton, CHOU Tien-cheng, World No.2 in men's singles of badminton, and top table tennis players including CHUANG Chih-yuan, CHIANG Hung-chieh, CHEN Chien-an, CHENG I-ching, and LIN Yun-ju, as well as baseball stars of Wu Sheng-feng, Lin Jia-yo, Lin Han, all of whom are excellent athletes that TCFHC has invested tremendous efforts to nurture. In 2020, despite of the impact of pandemic that forced some games to be suspended, it was still a fruitful year for TCFHC's sports teams in terms of wins in many games.

For protecting active sports stars, TCFHC has also sought to recruit players with potentials as reserve players through different national games or school TCFHC has collaborated with by offering nutrition

Taiwan Cooperative Baseball Team have won **champions at National Presidential Cup Slow Ball Game, Class A Adult Baseball Spring Tournament, and Popcorn Baseball League**. The table tennis and badminton teams have also won **champions in both men's single and women's single respectively at National Presidential Cup Table Tennis Championship and Badminton Group Championship**.



allowance and grant so as to help relieve players' financial burden. Those who perform well would have the chance to be promoted as a formal team member and can continue to work at Taiwan Cooperative Bank after retiring from the team. At present, there are in total more than 170 athletes in TCFHC's sports team as a whole. The development of grassroots sports is another point that TCFHC has focused on, for which TCFHC has pumped in plenty resources on a constant and long-term basis through providing technical supports, equipment, and facilities, and making up professional ball game teams with the provision of proper trainings so that these young players could take part in different trainings and games whole-heartedly. Despite of prevalence of pandemic, in 2020, TCFHC's baseball team, table tennis team, and badminton team have taken initiatives to purchase professional sports shoes, outfits, and equipment to offer to 40 different young ball game teams in remote areas.



A total of **170**
Excellent Players

5.2.2 Making Physical Activities Popular, and Promoting Sports Events

In addition to making efforts in developing of sports talents and raising Taiwan's competitiveness in international sports arena, the TCFHC Group has worked to promote importance of physical activities hoping to prompt employees caring about their own health and make physical activities or sports part of their lives. The TCFHC Group also holds various types of sports events frequently for supporting sports development in Taiwan, hoping to promote the trend of sports loving among people, so as to achieve health and well-being vision of Social Development Goals (SDGs).



Ball game camps had come to the 29th year for the series of events in 2020 and had by then attracted more than 60,000 children in total to participate in.

In order to effectively combine different resources for increasing positive influence to drive sports taking roots in the society, since 1992, Taiwan Cooperative Bank has held 3 different ball game camps including table tennis, baseball, and badminton for school pupils every year, to let those sports loving children have the opportunity to learn accurate sports concepts and skills from top national players, as well as to experience the basic motions, rules and etiquette, and various ball games. Seeing these children learning whole heartedly with satisfactory smiles has been the driving force that prompts the bank to continue its efforts year after year, which has also been highly appraised by parents of those children.

In order to spread spirit of sports enterprise and prompt employees to engage in self-health management, the TCFHC Group has invited corporate customers and employees to participate in badminton, table tennis, and slow ball games under the banner of Taiwan Cooperative Cup, which provides both a social occasion for participants to meet new friends as well as relieve stress from work, and a sports platform for domestic players to make these sports popular in Taiwan.

CS Maxxis TCFHC Cup National Table Tennis Championship

Total Number of Games Being Held : **9**

TCFHC, Cheng Shin Rubber IND. Co., Ltd, and Chinese Taipei Table Tennis Association have co-hosted "CS Maxxis TCFHC Cup National Table Tennis Championship" for 9 consecutive years.

Each year, the game has attracted more than 1,000 players spanning from elementary school pupils to college students to take part in. In 2020, the registration numbers have hit a record high in which a total of 121 teams joined with more than **1,300** players.

Taiwan Cooperative Cup Badminton Invitational Tournament

Total Number of Games Being Held : **17**

Taiwan Cooperative Cup Badminton Invitational Tournament held by Taiwan Cooperative Bank for 9 straight years has provided an occasion for sports loving people from different enterprises to interact with their peers through sports activities.

In 2020, there were 32 enterprise teams joining the tournament including those of TSMC, China Airlines, Eva Airways, and NTU Hospital, with a total participants of **320**.

Taiwan Cooperative Cup Slow Ball Invitational Tournament

Total Number of Games Being Held : **12**

In order to promote sports for all and physical and mental health, Taiwan Cooperative Bank has held "Taiwan Cooperative Cup Slow Ball Invitational Tournament" in Taoyuan and Hsinchu area for 12 consecutive years, inviting players from corporate customers, colleges and universities, and government agencies so that these sports loving people can make new friends through sports event.





5.2.3 I-Health for Old and Young

Co-operative Assets Management has made donation to Yongee Cancer Prevention and Healthcare Foundation, assisting the foundation to engage in free-of-charge medical services and to push ahead with cancer examination activities, by which CAM wish to promote cancer prevention concept, raising medical knowledge of the public, so that more people can be helped to realize their own health conditions improving cancer care.

In addition, in order to help minority groups, Taiwan Cooperative Securities has sponsored Duofu Barrier Free Life and Transportation Development Association and Taiwan Fund for Children and Families to enable more silver-haired and children in minority to have more proper cares.

5.3 Community Stability

The fast moving modern society concomitant with rapid transition and change has left more and more minorities being neglected and lacking care. Therefore, TCFHC and its subsidiaries have made the attempt to improve living quality of those minorities and increase learning resources for children, teenagers and disabled people in remote areas through continuous donation of money or goods. In addition, the TCFHC Group has made local agricultural products on top of the procurement list, which is not just to encourage local agricultural development and show cares to farmers, but is also the embodiment of TCFHC fulfilling its social responsibility.

5.3.1 Ending Poverty

Holding the manner of "give and take", Taiwan Cooperative Bank has continuously plunged into various public interest activities including holding an annual winter philanthropic campaign titled "TCB Double Cares" to deliver cares and substantive donations to minority groups in need in different locations discovered by TCB through its service network across Taiwan.

The basic life and healthcare quality of disadvantaged groups in Taitung area has been concerned by Taiwan Cooperative Bills Finance, and therefore TCBF has been prompted to make financial donations to the program of "Restoring Families in Taitung Tribute - Lighting up the Road for Going Home" initiated by Beunen Foundation to help those physically or mentally disabled developing working skills for rejoining the society and work with others. In 2020, TCBF has extended its care to disadvantaged children and families in Chayi area by making financial donations to Taiwan Fund for Children and Families' branch in Chayi, enabling them to provide children in need with immediate financial aids, counselling services, tutoring and job seeking assistance, nutrition improvement and medical assistance, and other activities that will help them grow.

In 2020, TCBF has made a total donation of **NT\$2.1 million** to **21** social welfare organizations and schools across 14 different counties and cities that benefits **1,945** people in total.



5.3.2 Ending Hunger

The TCFHC Group has been endeavoring to help end hunger in local community. Since 2015, the TCFHC Group has participated in a joint donation campaign titled "Love from Financial Industry: Food Bank" led by Taiwan Futures Exchanges for 6 consecutive years, which makes donation to those poor families in urgent needs or poor families on the brink of being qualified for the public subsidy so as to help get over difficulties.



5.3.3 Sweet Fruits and Sweet Love: Supporting Local Agricultural Products

The TCFHC Group has spared no effort in supporting local agricultural industry and helping the promotion of domestic agricultural products to solve the problem of oversupply. The TCFHC Group has purchased fresh banana, mango, and pomelo from different agricultural associations to both share with the Group's customers and employees and donate to social welfare groups that TCFHC has supported to let everyone to enjoy healthy fruits, and at the same to learn how fruitful results are gained through laborious cultivation.



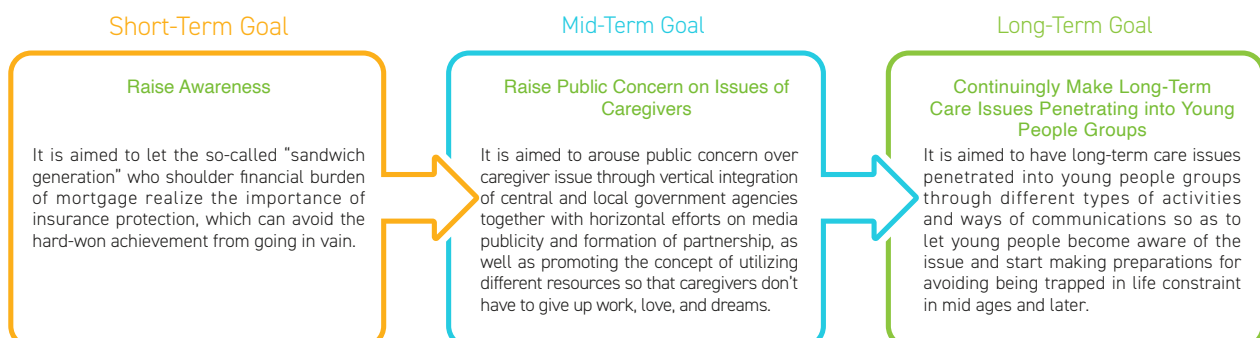
The TCFHC Group has purchased a total of **12,945kg** weighted fresh banana, mango, and pomelo. The fruits were packed in **1,350 boxes** to share with the Group's customers and employees and donate to social welfare groups that TCFHC has supported.

5.4 Attendance and Care

Against the background of aging society with decreasing birth rate, long-term care issues have gradually become a center of concern. In Taiwan, most of the elders or disabled who lack self-care ability are taken care of by their family members, a seemingly unavoidable duty that in fact have loaded these caregivers quite a lot mental and physical stress, one that sometimes leads to economic and social distress but are often neglected. Therefore, BNP Paribas Cardif TCB Life Insurance has started working with Taiwan Association of Family Caregivers since 2013 to push ahead with various measures and activities regarding support and concern to family caretakers.



Objective of Nursing and Care by BNP TCB Life



It has been more than 8 years since BNP Paribas Cardif TCB Life Insurance started partnering with charity organizations such as Taiwan Association of Family Caregivers to push ahead with the idea of family care, during which BNP TCB Life has continuously rolled out innovative services and worked with different family care stations deployed by local governments to safeguard caregivers' mental and physical health.



In 2020, the total expense that has been plunged into was **NT\$6.12 million**.

Activities for Family Caregiver Held by BNP TCB Life in 2020

Charity Power
of Corporate Core
Business



Safeguarding Well-Being Donation

BNP TCB Life is the first insurance company that combines mortgage insurance with donations to family caregivers by allotting NT\$300 out of each single premium mortgage life insurance to donate to Taiwan Association of Family Caregivers, a move that creates market segmentation and further lay the foundation for BNP TCB Life to anchor the leading position in the market that make sales partners proud to be identified with. By the end of 2020, the total donation that BNP TCB Life created had reached NT\$16.5 million.



Making Caregiver's Workplace Friendly

Inasmuch as the impact on job as a result of engaging in long-term care, BNP TCB Life has partnered with Taiwan Association of Family Caregiver to launch "Long-Term Care Preparatory Course" and resources interconnection service, and has also set up an inquiry desk facilitating the introduction of external resources to refer staff in need of long-term care to the association to make BNP TCB Life a family caregiver friendly work place. In addition, BNP TCB Life provides employee involved in caregiving with higher than statutory "family caregiving allowance" to meet the goal of "Care Your Family, Stay Here."



Seed Staff of Long-Term Care

In 2020, Taiwan Cooperative Bank has partnered with Taiwan Association of Family Caregivers to launch "Seed Staff of Long-Term Care" training program by contributing its core competitiveness of extensive service network to create a warm and compressive product and services interlinked network to support customers at all aspects to tap into social resources to solve difficulties that caregivers have faced to sketch out a happy, joyful, and well-attended life.



Respite Service
for Caregivers



Respite Café

In order to encourage family caregivers to take a break, BNP TCB Life has launched "Caregiver Café" and "Community Information Station" since 2016, both of which have offered 3,000 cups of coffee on average every year, consulting service for long-term care, and stress relief activities. Meanwhile, in order to demonstrate the commitment to family caregivers, BNP TCB Life has appealed to value added service to policy holders by offering customers who apply settlement of claim or need long term care, 10 cups of respite coffee a year.



Respite Academy

In order to allow more rooms for family caregivers to breathe, BNP TCB Life has held a series of activities for volunteers including free movie and courses such as yoga, rice cook dishes and horse riding that particularly welcome family caregivers to take part in. For those family caregivers who attend such an activity, BNP TCB Life will initially apply for them home-based respite services so that these family caregivers can have an opportunity to take a break. On average, there have been a total of 30 stress relief activities being held through Respite Academy every year since 2014, attracting a total of more than 9,000 participants to attend by the end of 2020.





Guardian Band

As a way of encouraging caregivers to chase their dreams, BNP TCB Life has assisted 5 senior caregivers in utilizing existing resources to form "Guardian Band", enabling 5 ordinary people to perform on stage, who have gained fabulous time of respite while practicing, and eventually had accomplished a concert tour by holding 7 concerts in 6 counties and cities around Taiwan with the entire tour being made into a documentary film and broadcast in social media, which has worked to inspire more caregivers to utilize caring resources and chase their dreams.

Birthday
Celebration
Cheering Group

Taiwan has been undergoing the impact by COVID-19 pandemic, which has made situation of those caregivers who have been highly stressed even more severe. Therefore, in order to relieve both caregivers and care receivers from escalating stress level and raise awareness of related prevention measures and healthcare management, BNP TCB Life has invited Action Tang, a TV anchor and actor to serve as the campaign ambassador, who has then made various surprised visits to some caregivers' homes on their birthdays and share with them some pandemic prevention tips and did exercises together during these visits. All of the visits have been cinematically documented and broadcasted via social media to disseminate the warm atmosphere to other caregivers who are able to go out.

Guarding
Caregiver
Charity
Concert

Sticking with its original intention of helping those family caregivers, BNP TCB Life has held charity concerts for 4 years in different forms through partnership with local governments or caregiver supporters including a container based concert. By inviting caregivers and their families, general public, local charity groups, and mortgage life insurance channel partners to attend, these concerts created a relaxing environment for those family caregivers to relieve stress. To-dated, BNP TCB Life has hosted 18 charity concerts in total since 2017, attracting more than 6,600 people to attend by the end of 2020.

Family
Caregiver
International
Symposium

Under the supervision of Ministry of Health and Welfare, BNP TCB Life has hosted an annual international symposium by inviting specialists, scholars, and government officials involved in the long-term care sector from different countries and regions to discuss policy, status and related study into long term care issues. Related research results are also presented in the event, which are taken as important references for the planning of long-term policy in the future. The symposium now has become an important platform for Taiwan's long-term care industry. From 2013 on, the symposium has on average attracted 300 people to attend every year. As of the end of 2020, there had been a total of 2,400 people attending the event.



Caregiver TV

Echoing with the campaign of caregiver TV launched by Taiwan Association of Family Caregivers, BNP TCB Life has rolled out a few programs including "Caregivers Are Not Alone", "Long-Term Care Classroom", and "Chefs Are Well Taken Cared" to let those caregivers who are not able to go out as well as young people who are not familiar with the issues to be well informed of related problems and responsive measures.

Alliance of
caregiversGuardian
Alliance

The "Guardian Alliance" launched in 2016 by BNP TCB Life has been participated by various professional institutions, expert from different disciplines, and private enterprises, which have donated part of their revenue from product sales to organize public interests activities, help family caregivers, and promote respite coffee as well as long-term care services.

Pan Pan Charity
Bazaar

Alongside the charity concert, BNP TCB Life has organized charity bazaar since 2018 by inviting family caregivers to run booths in addition to auctioning onsite Pan Pan Bags which carried signatures of celebrities. These efforts were undertaken to help people to get to know these family caregivers more and show support. In 2020, due to COVID-19 pandemic, there was only 1 charity bazaar being held.



2020 Sustainability Achievements

Taiwan Cooperative Holdings

Appendix



GRI Standards Index

| GRI Standards | Disclosure Category | Corresponding Section | Page Number | Supplementary Remarks |
|----------------------------------|--|---|-------------|---|
| Organization Overview | | | | |
| 102-1 | Name of the organization | 1.1 About TCFHC | 37 | |
| 102-2 | Activities, brands, products and services | | 37 | |
| 102-3 | Location of headquarters | | 37 | |
| 102-4 | Location of operations | | 38 | |
| 102-5 | Ownership and legal form | | 37 | |
| 102-6 | Market serviced | | 38 | |
| 102-7 | Scale of the organization | | 37 | |
| 102-8 | Information on employees and other Workers | 3.1 Composition of Employee | 77 | |
| 102-9 | Supply chain | 4.3 Green Procurement and Supplier Management | 95 | |
| 102-10 | Significant changes to the organization and its supply chain | — | — | No significant changes in 2020 |
| 102-11 | Precautionary principle or approach | 1.4 Risk Management and Audit System | 47-52 | |
| 102-12 | External initiatives | 2.1 Sustainable Finance | 59-66 | |
| 102-13 | Membership of associations | 1.1 About TCFHC | 41 | |
| Strategy | | | | |
| 102-14 | Statement from senior decision maker | Letter from Chairman | 4-5 | |
| 102-15 | Key impacts, risk and opportunity | 4.1 Management of Climate Change Risk | 89-92 | |
| Ethics and Integrity | | | | |
| 102-16 | Values, principles, standards, and norms of behavior | 1.3 Ethical Management | 45-47 | |
| Governance | | | | |
| 102-18 | Governance structure | 1.2 Corporate Governance | 43 | |
| Communications with Stakeholders | | | | |
| 102-40 | List of stakeholder groups | Material Topics and Stakeholder Engagement | 17-19 | |
| 102-41 | Collective bargaining agreement | 3.5 Human Rights and Equality | 87 | |
| 102-42 | Identifying and selecting stakeholders | Material Topics and Stakeholder Engagement | 12 | |
| 102-43 | Approach to stakeholder engagement | Communication Channels for Stakeholders | 17-19 | |
| 102-44 | Key topics and concerns raised | Material Topics and Stakeholder Engagement | 13 | |
| Reporting | | | | |
| 102-45 | Entities included in the consolidated financial statements | Report Overview | 3 | |
| 102-46 | Defining report content and topics boundaries | | 3 | |
| 102-47 | List of material issues | Material Topics and Stakeholder Engagement | 14-15 | |
| 102-48 | Restatement of Information | — | — | Information in the previous period has not been revised |
| 102-49 | Changes in reporting | — | — | No significant change |
| 102-50 | Reporting period | Report Overview | 3 | |
| 102-51 | Date of most recent report | | 3 | |
| 102-52 | Reporting cycle | | 3 | |
| 102-53 | Contact for questions regarding the report | | 3 | |
| 102-54 | Claims of reporting in accordance with GRI standards | | 3 | |

| GRI Standards | | Disclosure Category | | Corresponding Section | Page Number | Supplementary Remarks |
|---------------------------------------|--------|--|--|-----------------------|-------------|-----------------------|
| GRI 102: General Disclosures 2016 | 102-55 | GRI content index | Appendix | | 107-110 | |
| | 102-56 | External assurance | | | 113-114 | |
| Material Topics | | | | | | |
| Corporate Governance | | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 1.2 Corporate Governance | | 42 | |
| | 103-2 | Management approach and its components | | | | |
| | 103-3 | Evaluation of management approach | | | | |
| GRI 102 General Disclosures 2016 | 102-18 | Governance structure | | | 43 | |
| Risk Management | | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 1.4 Risk Management and Audit System | | 47 | |
| | 103-2 | Management approach and its components | | | | |
| | 103-3 | Evaluation of management approach | | | | |
| GRI 102 General Disclosures 2016 | 102-11 | Precautionary principles and approach | | | 47-50 | |
| Ethical Management | | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 1.3 Ethical Management | | 45 | |
| | 103-2 | Management approach and its components | | | | |
| | 103-3 | Evaluation of management approach | | | | |
| GRI 102 General Disclosures 2016 | 102-16 | Value, principle, standard, and norms of behavior | | | 45-46 | |
| GRI 205 Anti-Corruption 2016 | 205-2 | Communication and training about anti-corruption policies and procedures | | | 46 | |
| Legal Compliance | | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 1.5 Legal Compliance, Anti-Money Laundering, and Combat of Terrorism Financing | | 53 | |
| | 103-2 | Management approach and its components | | | | |
| | 103-3 | Evaluation of management approach | | | | |
| GRI 307 Environmental Compliance 2016 | 307-1 | Non-compliance with environmental laws and regulations | | | 53-54 | |
| GRI 419 Socioeconomic Compliance 2016 | 419-1 | Non-compliance with laws and regulations in the social and economic area | | | 53-54 | |

| GRI Standards | | Disclosure Category | Corresponding Section | Page Number | Supplementary Remarks |
|--|-------|--|---|-------------|-----------------------|
| Sustainable Finance | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 2.1 Sustainable Finance | 59 | |
| | 103-2 | Management approach and its components | | | |
| | 103-3 | Evaluation of management approach | | | |
| Digital Finance | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 2.2 Digital Finance | 66 | |
| | 103-2 | Management approach and its components | | | |
| | 103-3 | Evaluation of management approach | | | |
| Protecting Customer Rights, Increasing Customer Satisfaction, and Information Security | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 1.6 Information Security 2.3 Protecting Customer Rights and Increasing Customer Satisfaction | 70 | |
| | 103-2 | Management approach and its components | | | |
| | 103-3 | Evaluation of management approach | | | |
| GRI 418 Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 1.6 Information Security | 55 | |
| Employee Learning and Development | | | | | |
| GRI 103 Management Approach 2016 | 103-1 | Explanation of material topic and its boundary | 3.3 Career Management and Learning | 81 | |
| | 103-2 | Management approach and its components | | | |
| | 103-3 | Evaluation of management approach | | | |
| GRI 404 Training and Education 2016 | 404-1 | Average number of training hours per employee per year | | 82 | |
| Other Issues | | | | | |
| GRI200: Economics | | | | | |
| GRI 201 Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | 1.1 About TCFHC | 39 | |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | 4.1 Management of Climate Change Risk | 89-92 | |
| GRI300: Environment | | | | | |
| GRI 302 Energy 2016 | 302-1 | Energy consumption within the organization | 4.2 Green Operation | 92 | |
| | 302-5 | Reductions in energy requirements of products and services | 4.1 Management of Climate Change Risk | 90 | |
| GRI 305 Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 4.2 Green Operations | 93 | |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | | | |
| | 305-5 | Reduction in GHG emissions | | 90 | |
| GRI 306 Effluents and Waste 2016 | 306-2 | Waste by type and disposal method | | 94 | |
| GRI 308 Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | 4.3 Green Procurement and Supplier Management | 95 | |

| GRI Standards | Disclosure Category | Corresponding Section | Page Number | Supplementary Remarks |
|---|---------------------|--|---|-----------------------|
| GRI400: Social Standards | | | | |
| GRI 401 Employment 2016 | 401-1 | New employee hire and employee turnover | 3.3 Career Management and Learning | 81 |
| | 401-2 | Benefits provided to full-time employee | 3.2 Employee Remunerations and Benefits | 78-79 |
| | 401-3 | Parental leave | | 79 |
| GRI 403 Occupational Safety and Health 2018 | 403-1 | Occupational safety and sanitation management system | 3.4 Occupational Safety and Health | 84 |
| | 403-9 | Work-related injuries | | |
| GRI 405 Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 1.2 Corporate Governance | 42 |
| GRI 412 Human Rights Assessment 2016 | 412-2 | Employee training on human rights policies or procedures | 3.5 Human Rights and Equity | 87 |
| GRI 413 Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | 5 Public Interests | 96-105 |
| GRI 414 Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | 4.3 Green Procurement and Supplier Management | 95 |

G4 Financial Industry Disclosures

| Sector Specific Indicators | Content of Disclosure | Page Number | Corresponding Section |
|----------------------------|--|----------------|---|
| FS1/DMA | Policies with specific environmental and social components applied to business lines | | |
| FS2/DMA | Procedures for assessing and screening environmental and social risks in business lines | 59-66 | 2.1 Sustainable Finance |
| FS3/DMA | Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions | | |
| FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose | 63-66 74-75 | 2.1 Sustainable Finance 2.4 Financial Inclusion |
| FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose | 59-62 | 2.1 Sustainable Finance |
| FS13 | Access points in low-populated or economically disadvantaged areas by type | 74-75 | 2.4 Financial Inclusion |
| FS14/DMA | Initiatives to improve access to financial services for disadvantaged people | | |
| FS15/DMA | Policies for the fair design and sale of financial products and services | 70-73 | 2.3 Protecting Customer Rights and Increasing Customer Satisfaction |
| FS 16 | Initiatives to enhance financial literacy by type of beneficiary | 75 | 2.4 Financial Inclusion |

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

| Article 4 of the Rules Governing the Preparation and Filing of Corporate Social Responsibility Report by TWSE Listed Companies | | |
|---|-------------|--|
| Disclosure Category | Page Number | Corresponding Section |
| The management approach, topic-specific disclosures and reporting requirements for major issues on sustainable finance shall include at least products and services designed by operating units to create social or environmental benefits. | 59-66 | 2.1 Sustainable Finance |
| The number, average salary, and medium salary of non-supervisor full-time employee in a given enterprise and differences of these three figures from the previous year. | 78 | 3.2 Employee Remuneration and Benefits |
| The governance of enterprise on climate-related risk and opportunity, actual and potential climate-related impact, and how to identify, evaluate, and manage climate-related risk, as well as indicators and objectives that are set to evaluate and manage climate-related issues. | 89-92 | 4.1 Management of Climate Change Risk |

Comparison Table of Sustainability Accounting Standards Board (SASB)

| Disclosed Topic | Code/Metric | Nature | Disclosure Indicator | Description | Page Number |
|---|---------------|--------------|--|--|-------------|
| Information Security | FN-CB-230a.1. | Quantitative | (1) Number of confirmed Information breaches (2) Percentage involving personally identifiable information (PII), (3) Number of account holders affected | There was no incident of Information breach in TCB in 2020 | — |
| | FN-CB-230a.2. | Qualitative | Description of approach to identifying and addressing information security risks | For details of the indicators, please refer to Section 1.6 Information Security of the 2020 TCFHC Sustainability Report | 55-56 |
| 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 | For details of the indicators, please refer to Section 2.4 Financial Inclusion of the 2020 TCFHC Sustainability Report | 74-75 |
| | 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 | | |
| | FN-CB-240a.3. | Quantitative | Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers | In 2020, 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 not sufficiently identified customers | For details of the indicators, please refer to Section 2.4 Financial Inclusion of the 2020 TCFHC Sustainability Report | 74 |
| 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 113 of the 2020 TCFHC unconsolidated financial statements, in which the industries involving at least 2% of risk ratio that TCFHC exposes to are real estate, retailing, basic metal and metal processing and manufacturing, chemical material, petroleum, coal, rubber and plastic products, and service industries | — |
| | FN-CB-410a.2. | Qualitative | Description of approach to incorporation of ESG factors in credit analysis | The planning of TCFHC to incorporate ESG factors in credit analysis is under way | — |
| 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 2020 | — |
| | FN-CB-510a.2. | Qualitative | Description of whistleblower policies and procedures | For details of the indicators, please refer to Section 1.3 Ethical Management of the 2020 TCFHC Sustainability Report | 46 |
| 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 | For details of the indicators, please refer to Section 1.4 Risk Management and Audit System of the 2020 TCFHC Sustainability Report | 49 |

List of Assured Items

| No | Object of Assurance | Applicable Standard | Page Number |
|----|--|--|-------------|
| 1 | In 2020, TCB convened 40 product review panel meetings, in which 722 domestic products and 145 offshore products had been reviewed. | Both the total number of the product review panel meetings convened and the total number of products reviewed in 2020 were carried out in accordance with the internal operational guideline of "TCB Measures for Setting up the Product Review Panel Meeting for Trustee Investment Financial Product". | 73 |
| 2 | In 2020, TCSIT convened 12 product review panel meetings, with which 3 products had been reviewed and further approved by competent authorities. | Both the total number of the product review panel meetings convened and the total number of products reviewed in 2020 were carried out by TCSIT in accordance with its internal operational guidelines of "Procedures for the Management of Fund Raising and Issuance" and "Operational Procedures for Drafting or Amending the Contract or Prospectus of Fund Trust". | 73 |
| 3 | In 2020, BNP TCB Life convened 10 insurance product review panel meetings, with which 10 new products had been reviewed, and approved by competent authorities, while 167 products had been modified or partially changed. | Both the total number of insurance product review panel meetings as convened and the total number of product as reviewed that were carried out by BNP TCB Life in accordance with its internal operational guideline of "Procedures for Product Design". | 73 |
| 4 | As of the end of 2020, TCB had processed a total of 23,333 applications for "Youth to Start the Family Preferential Mortgage", offering a total mortgage amount of NT\$68.507 billion. | The total value of approved mortgage and the total amount the mortgage applications that have met the criteria of TCB's "Youth to Start the Family Preferential Mortgage" by the end of 2020, which were exclusive of nonaccrual cases. | 75 |
| 5 | In 2020, CAM had reached a total of 272 debt settlements and agreements with debtors. | The total number of the debt clearance or settlement cases that CAM achieved in 2020 in accordance with the CAM's "Guidelines for Handling Non-Performing Loans". | 64 |
| 6 | Regarding financial innovation related patents, in 2020, TCB had acquired a total of 65 patents from Intellectual Property Office, Ministry of Economic Affairs. | The total amount of the R.O.C. patents that TCB acquired in 2020 in terms of patent types as defined by Patent Act including invention patent, utility model patent, and design patent. | 69 |
| 7 | As of the end of 2020, TCB has processed a total of 1,924 "Full of Well-Beings" reversed mortgage application with a total amount of NT\$11.401 billion loan being approved. | The total number of underwriting cases and approved amount for the reverse mortgage that TCB had registered with Financial Supervisory Commission on "Statistics of Banks Handling Commercial Type of Reverse Mortgage" by the end of 2020. | 65 |
| 8 | In 2020, a total of 2,821 new beneficiaries were added to the property trust for senior citizen and disabled program with a total of NT\$4.056 billion principle being put as trusted property. | The total number of added beneficiaries to the property trust for senior citizen and disabled and the balance of property trust principle that TCB underwrote in 2020 according to "Quarterly Report of Trust Business Statistics for the 4 th Quarter of 2020" published by Trust Association of R.O.C. | 65 |



Address : No.225, Section 2, Chang' An
East Road, Taipei, Taiwan, R.O.C.

Tel : +886-2-21738888

Fax : +886-2-27408023