

SinoPac Holdings' Mitigative and Remedial Measures in Human Rights Risks

Material issues in human rights risks	Stakeholders that are mainly affected	Risk mitigative measures	Risk remedial measures
Ensure labor conditions	Employees	<ul style="list-style-type: none"> Establish the human rights policy, specified salary management guidelines in related internal regulations, and participated in the global market salary survey to ensure that employees receive salaries that competitive in the market. Labor and management sign a collective bargaining agreement with an emphasis on work rights. Please refer to Chapter 4 Fulfillment of Healthy Workplace for details. 	<ul style="list-style-type: none"> Establish numerous grievance channels. When the human resources unit receives employee grievances regarding damaged labor conditions, it will immediately visit related departments to clarify the issue, ensuring that the situation is immediately and properly handled when employees' labor conditions are damaged. Necessary reiteration will be carried out or meetings are to be convened to discuss and track the implementation status.
	Suppliers	<ul style="list-style-type: none"> Established the Supplier Corporate Social Responsibility Code of Conduct, required all suppliers to comply with the code of conduct for labor human rights, and managed employee salaries and benefits. Suppliers shall comply with all local labor regulations involving employees and business management, including work hours, salaries and employee benefits, and clearly communicate work conditions with employees in appropriate language. Suppliers must pay salaries on time and may not make any deductions from employee salaries as penalties. 	<ul style="list-style-type: none"> Conduct due diligence on suppliers' sustainability and implement different management mechanisms based on sustainability risk identification results, and communicate with and provide guidance to suppliers with high sustainability risk to help them lower related risks.
	Customers (corporate banking)	<ul style="list-style-type: none"> Pursuant to the operating manual and Risk Disclosure Inspection Items for Credit Checking – ESG Risks in the corporate banking credit review system, besides inquiring whether or not customers have any overdue payments to the labor retirement reserve, or have failed to make monthly contributions to employees' reserves account in accordance with the Labor Standards Act, SinoPac also concerned about whether or not customers take response measures for human rights issues such as labor conditions, privacy, dignity, forced labor, and health right. Furthermore, for project financing with higher risks, customers are required to provide the "PS2 Labor and Work Conditions Commitment." 	<ul style="list-style-type: none"> Add a warning note for the potential effect on customers' operational risks and implement action plans or response measures. The Operational risk warning patterns are defined in the operating manual, including a significant decrease in the borrower's production, full or partial suspension (factory shut down), construction safety incidents, and labor-management disputes. Provide assistance to customers for making improvement when necessary, and evaluate to formulate mitigation and compensation measures in response. If the customer's situation is severe or unable to make improvements over a long period of time, then carefully evaluate whether or not to continue doing business with the customer. Bank SinoPac has signed the Equator Principles (EPs). It will assess the human rights risks of project financing in accordance with the UN Guiding Principles on Business and Human Rights, and add it to the "Commitments" part of contracts.
Privacy	Employees Customers	<ul style="list-style-type: none"> Establish the Employee Service Rules. Employees are obligated to properly manage, use, and safekeep the Company's core information and intellectual property rights, and keep them confidential. Anyone who handled employees' personal information and privacy must ensure the privacy of employees according to related guidelines. Establish the Personal Data Protection and Management Task Force to be responsible for implementing and examining the tasks and management plans for protecting the personal data of employees and customers. Please refer to 2.4.4 for details. 	<ul style="list-style-type: none"> Periodically conduct emergency response drills for personal data leakage to strengthen reporting and response ability. Establish the Personal Data Protection Policy and File Security Maintenance Regulations. When a personal data infringement incident occurs, take response and remedial measures in accordance with the Emergency Incident Response Guidelines. When a personal data infringement incident occurs, responsible units must immediately notify the convener and executive secretary of the Personal Data Protection and Management Task Force, and report the response measure and handling method to the Task Force for review within two days. In the event of a severe personal data security incident, the Financial Supervisory Commission must be immediately notified. Correction and prevention mechanisms or measures are then formulated and certified by related experts for overall diagnosis and review.
	Suppliers	<ul style="list-style-type: none"> Establish the Supplier Corporate Social Responsibility Code of Conduct, and require all suppliers to comply with the code of conduct for information privacy. Suppliers shall reasonably protect business information and personal data to ensure that the Company and individual privacy is not damaged due to data leakage. Suppliers may not disclose their supply relationship with the Company in any form without written consent from the Company's authorized personnel. 	<ul style="list-style-type: none"> Conduct due diligence on sustainability and implement different management mechanisms based on sustainability risk identification results, and communicate with and provide guidance to suppliers with high sustainability risk to help them mitigate related risks.

Material issues in human rights risks	Stakeholders that are mainly affected	Risk mitigative measures	Risk remedial measures
Human Dignity	Employees	<ul style="list-style-type: none"> Establish the Sexual Harassment Prevention Committee and Directions for Prevention, Grievance, and Discipline of Workplace Sexual Harassment to step up sexual harassment prevention measures. Periodically organize education and training sessions for the prevention of unlawful infringement and sexual harassment in the workplace, in order to promote managers and employees' concept of gender equality. Actively handling workplace violence or bullying in accordance with the Regulation in Employee Rewards and Punishments. Establish a dedicated sexual harassment grievance unit, grievance hotline, and dedicated e-mail to provide employees with timely assistance. 	<ul style="list-style-type: none"> Take immediate, effective and corrective remedial measures when the Company becomes aware of sexual assault or sexual harassment pursuant to the Prevention, Grievance, Investigation, and Handling Guidelines for Sexual Harassment. Establish a dedicated sexual harassment grievance unit, grievance hotline, and dedicated e-mail to assist employees to be properly handled immediately.
Forced Labor	Customers (corporate banking)	<ul style="list-style-type: none"> Pursuant to the operating manual and Risk Information Disclosure Inspection Items for Credit Investigations – ESG Risks in the corporate banking credit review system, besides inquiring whether or not customers have any overdue payments to the labor retirement reserve, or failed to make monthly contributions to employees' reserves account in accordance with the Labor Standards Act, SinoPac Holdings also concerned about whether or not customers take response measures for human rights issues such as labor conditions, privacy, dignity, forced labor, and health right (including but not limited to, inspecting the environment of customers' factories, child labor, employee personal data protection, workplace bullying, sexual harassment, overdue wages, wrongful termination, labor-management disputes, strikes, and long-term hazards to employee health). Due diligence and careful evaluation must be conducted. Bank SinoPac has signed the Equator Principles (EPs) and assesses the human rights risks of project financing in accordance with the UN Guiding Principles on Business and Human Rights, which is included in environmental and social evaluation documents. Customers are asked to provide a "PS2 Labor and Work Conditions Commitment." 	<ul style="list-style-type: none"> Monitor potential risks of customers' daily operations, actively show concern and understand the risks. Add a warning note for the potential effect of customers on operational risks and implement action plans or response measures. The operating manual defines operational risk warning patterns, including construction safety incidents and labor-management disputes. The operating manual stipulates that personnel must consider whether or not the customer engages in environmental protection, ethical corporate management, and CSR during credit investigations. If "Risk Information Disclosure Inspection Items for Credit Investigations – ESG Risks" is checked in the credit investigation report, the business unit is required to look into the situation, provide assistance to customers for making improvement when necessary, and evaluate and formulate mitigation and compensation measures in response. If the customer's situation is severe or unable to make improvements over a long period of time, then it must carefully evaluate whether or not to continue doing business with the customer. Bank SinoPac has signed the Equator Principles (EPs) and assesses the human rights risks of project financing in accordance with the UN Guiding Principles on Business and Human Rights, and has added it to the "Commitments" part of contracts.
Health Rights	Suppliers	<ul style="list-style-type: none"> Establish the "Supplier Corporate Social Responsibility Code of Conduct," and require all suppliers to comply with the code of conduct for occupational safety and health. Suppliers shall establish a complete work safety system and management mechanisms to lower occupational safety risks. Suppliers shall provide suitable education and training, comply with laws and regulations on labor health and safe work environment, and establish labor accident reporting and review mechanisms. Suppliers shall provide employees with a safe and hygienic work environment with complete protective equipment, and ensure that their operating activities will not pose direct or indirect hazards to employees or others. Furthermore, laborers have the right to refuse to work in an unsafe work environment until managers of suppliers eliminate laborers' concerns, and laborers should not need to be concerned about being punished for exercising this right. 	<ul style="list-style-type: none"> Conduct due diligence on sustainability and implement different management mechanisms based on sustainability risk identification results, and communicate with and provide guidance to suppliers with high sustainability risk to help them lower related risks.
	Customers (corporate banking)	<ul style="list-style-type: none"> Pursuant to the operating manual and "Risk Information Disclosure Inspection Items for Credit Investigations – ESG Risks" in the corporate banking credit review system, besides inquiring whether or not customers have any overdue payments to the labor retirement reserve, or failed to make monthly contributions to employees' reserves account in accordance with the Labor Standards Act, SinoPac Holdings is also concerned about whether or not customers take response measures for human rights topics, such as employees' labor conditions, privacy, dignity, forced labor, and right to health (including but not limited to: inspecting the environment of customers' factories for child labor, employee personal data protection, workplace bullying, sexual harassment, overdue wages, wrongful termination, labor-management disputes, strikes, and long-term hazards to employee health). Due diligence and careful evaluation must also be conducted. Bank SinoPac has signed the Equator Principles (EPs) and assesses the human rights risks of project financing in accordance with the "UN Guiding Principles on Business and Human Rights", which is included in environmental and social evaluation documents. Customers are asked to provide a "PS2 Labor and Work Conditions Commitment." 	<ul style="list-style-type: none"> Monitor potential risks of customers' daily operations, actively show concern and understand the risks. The operating manual stipulates that personnel must consider whether or not the customer engages in environmental protection, ethical corporate management, and CSR during credit investigations. If "Risk Information Disclosure Inspection Items for Credit Investigations – ESG Risks" is checked in the credit investigation report, the business unit is required to look into the situation, provide assistance to customers for making improvement when necessary, and evaluate and formulate mitigation and compensation measures in response. If the customer's situation is severe or unable to make improvements over a long period of time, then it must carefully evaluate whether or not to continue doing business with the customer. Bank SinoPac has signed the Equator Principles (EPs) and assesses the human rights risks of project financing in accordance with the UN Guiding Principles on Business and Human Rights, and has added it to the "Commitments" part of contracts.